CEREBRA
Total I.T. Solutions
An ISO 9001 : 2008 Company
www.cerebracomputers.com

23rd ANNUAL REPORT 2016-17

Cerebra Integrated Technologies Limited

BOARD OF DIRECTORS

V. Ranganathan	-	Managing Director
Shridhar S. Hegde	-	Whole-Time Director
P. Vishwamurthy	-	Whole-Time Director
Preethi Javali	-	Non-Executive Director
T.S. Suresh Kumar	-	Independent Director
P.E. Krishnan	-	Independent Director
S. Gopalakrishnan	-	Independent Director

Company Secretary and Compliance Officer
Nutan Soudagar

REGISTERED OFFICE AND FACTORY

#S-5, off 3rd Cross, 1st Stage,
Peenya Industrial Area,
Bangalore - 560 058
Tel: 91 - 80 - 22046969
Fax : 91 - 80 - 22046980
Web: www.cerebracomputers.com
Email: info@cerebracomputers.com
investors@cerebracomputers.com

SUBSIDIARY COMPANIES

Cerebra LPO India Limited
Cerebra Middle East FZCO, Dubai, UAE

STATUTORY AUDITORS

Messrs Ishwar & Gopal
Chartered Accountants
Sri Vinayaka Motor Service Building
No. 21/3, T.S.P. Road, Kalasipalyam
Bangalore - 560 002

SECRETARIAL AUDITOR

Parameshwar G Bhat
Practising Company Secretary
Bangalore

INTERNAL AUDITORS

Murugendrappa & Co.
Chartered Accountants
Bangalore

REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot number 31 & 32
Financial District, Nanakramguda, Serilingampally Mandal
Hyderabad-500 032, India
Phone: 040 - 91 40-67161564 Fax 9140-23420814
Email: shobha.anand@karvy.com

E-WASTE RECYCLING UNIT

Plot Nos. 41 to 46, KIADB Industrial Area
Narasapura, Appasandra Village
Narasapura Hobli
Kolar District.

BANKERS

Bank of India
Syndicate Bank

ENLISTMENTS

BSE Limited
National Stock Exchange of India Limited (NSE)

DEPOSITORIES

National Securities Depository Limited
Central Depository Services India Limited

Inauguration of E-Waste Recycling Unit

CEREBRA
Inauguration of
E-Waste Recycling Facility

Total I. T. Solutions
An ISO 9001 : 2008 Company
Inauguration of

FROM THE DESK OF MANAGING DIRECTOR

Dear Stakeholder,

Greetings from Team Cerebra

I am very happy to get another opportunity to address all of you this year. Your Company has consolidated its position from that in the previous year and and is growing rapidly. The new gleaming E waste plant is up and running. It is long cherished dream which came true this year and we are sure it will become the mainstay of your Company in the years to come. This is completely an environment friendly plant and very much needed for the one and all. We are sure this will become the pride of Karnataka in the years to come. A few photographs of the plant are also available for your viewing in this report.

Your Company achieved a turnover of Rs. 25197.46 Lakhs and a profit of Rs. 1124.96 Lakhs for the year. Our Dubai Subsidiary is also doing very well with a market coverage of the entire MENA region with over 170 resellers covering the entire region. We also have established a small base in Qatar and will soon be setting up an office in Saudi Arabia. Mr. Asit Ahuja, CEO for the region has explained in greater detail in this report.

We are expanding the SMT division by adding two more lines and this expansion programme is currently underway and should be ready by end of this year. We are adding more customers and the facility will be the latest in technology and will be capable of handling all materials and will have an inspection facility which you all can be proud of.

E waste as mentioned earlier is going to be the mainstay and my personal focus is on this division. We have established offices and warehouses in Mumbai and also in Chennai. We have already appointed quite a lot of collection agents across the country and will very soon have regional offices who will be working very closely with our collection agents. We have started an aggressive media campaign and have started approaching all the major E waste producers, OEMs across the country. Cerebra has an unique advantage i.e., we have worked with all these companies and some of them very regularly.

The hardware division is doing steady business and is on a growth path this year. We are again looking at a nationwide presence here and have started our services division also to take up AMCs which will work very cohesively with our E waste venture.

We take this opportunity to thank you all Shareholders,employees,vendors, bankers, advisors, Government of Karnataka and the Government of India for their continued support.

With warm regards,

V Ranganathan
Managing Director
DIN: 01247305

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CIN: L85110KA1993PLC015091
Regd Off.: # S-5, off 3rd Cross, 1st Stage, Peenya Industrial Area, Bangalore - 560 058
Telephone: 91 - 80 - 22046969 Email: investors@cerebracomputers.com Web: www.cerebracomputers.com

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Company will be held on Monday, 21st August, 2017 at 10:30 A.M. at the Registered Office of the Company at # S-5, off 3rd Cross, I Stage, Peenya Industrial Area, Bangalore-560 058 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss of the Company for the year ended as on that date together with the Auditors' Report thereon and the Board's Report including Secretarial Audit Report.

2. To appoint a Director in place of Mr. V. Ranganathan (holding DIN: 01247305), who retires by rotation and is eligible for re-appointment.

3. To ratify the appointment of Statutory Auditors of the Company:

   To consider, and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of Messrs Ishwar & Gopal, Chartered Accountants, registered with the Institute of Chartered Accountants of India (ICAI) under the Firm Registration No. 001154S as the Statutory Auditors of the Company for the financial year ending 31st March, 2018 who were appointed as Auditors of the Company in the 21st Annual General Meeting (AGM) held on 29th September, 2015 to hold office until the conclusion of 26th AGM on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to applicable taxes and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

SPECIAL BUSINESS:

4. **Re-appointment of Mr. V Ranganathan (DIN: 01247305) as Managing Director of the Company:**

   To consider, and if thought fit, to pass, the following Resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 2(54), 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with Schedule V of the Act and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any Statutory modification or re-enactment thereof for the time being in force) and subject to the approval of the Central Government as may be required, approval of the members be and is hereby accorded to appoint Mr. V Ranganathan (holding DIN: 01247305), as Managing Director of the Company for a period of three (3) years with effect from 1st January, 2018 to 31st December. 2020.

   RESOLVED FURTHER THAT remuneration payable to Mr. V Ranganathan, Managing Director of the Company is as per the existing terms and conditions as mentioned below:

Remuneration:

i. Rs. 2,00,000/- per month

ii. Conveyance Allowance

He will be eligible for reimbursement towards fuel and car maintenance expenses at actually on production of bills. He and his family will be eligible for the health insurance. He shall not be entitled for any other allowances or benefits, other than mentioned above.

Leave Facilities:

He will be provided with 21 days of leave and 5 days of casual leave during the tenure. Unutilized shall not be eligible for carry forward or for encashment.

Other Benefits:

Apart from the aforesaid remuneration, the Managing Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company.

The Managing Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

Minimum Remuneration:

Notwithstanding anything to the contrary herein where in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the above remuneration payable by way of salary and perquisites shall be deemed as minimum remuneration but however subject to the approval of the Central Government and/ or limits laid down under Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof as may be for the time being be in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary, alter or modify the terms and conditions including remuneration as may be directed by the Central Government and as may be agreed to by the Board of Directors and Mr. V Ranganathan.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company."

5. Re-appointment of Mr. Shridhar S Hegde (DIN: 01247342) as Whole Time Director of the Company:

To consider, and if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 2(94), 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with Schedule V of the Act and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any Statutory modification or re-enactment thereof for the time being in force) and subject to the approval of the Central Government as may be required, approval of the members be and is hereby accorded to appoint Mr. Shridhar S Hegde (holding DIN: 01247342), as Whole Time Director of the Company for a period of three (3) years with effect from 1st January, 2018 to 31st December, 2020.

RESOLVED FURTHER THAT remuneration payable to Mr. Shridhar S Hegde, Whole Time Director of the Company is as per the existing terms and conditions as mentioned below:

Remuneration:

i. Rs. 2,00,000/- per month

ii. Conveyance Allowance

He will be eligible for reimbursement towards fuel and car maintenance expenses at actually on production of bills. He and his family will be eligible for the health insurance. He shall not be entitled for any other allowances or benefits, other than mentioned above.

Leave Facilities:

He will be provided with 21 days of leave and 5 days of casual leave during the tenure. Unutilized shall not be eligible for carry forward or for encashment.

Other Benefits:

Apart from the aforesaid remuneration, the Whole Time Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company.

The Whole Time Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

Minimum Remuneration:

Notwithstanding anything to the contrary herein where in any financial year during the currency of tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the above remuneration payable by way of salary and perquisites shall be deemed as Minimum Remuneration but however subject to the approval of the Central Government and/ or limits laid down under Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof as may be for the time being be in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary, alter or modify the terms and conditions including remuneration as may be directed by the Central Government and as may be agreed to by the Board of Directors and Mr. Shridhar S Hegde.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company."

6. Re-appointment of Mr. P. Vishwamurthy (DIN: 01247336) as Whole Time Director of the Company:

To consider, and if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 2(94), 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with Schedule V of the Act of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any Statutory modification or re-enactment thereof for the time being in force) and subject to the approval of the Central Government as may be required, approval of the members be and is hereby accorded to appoint Mr. P. Vishwamurthy (holding DIN: 01247336), as Whole Time Director of the Company for a period of three (3) years with effect from 1st January, 2018 to 31st December, 2020.

RESOLVED FURTHER THAT remuneration payable to Mr. P. Vishwamurthy, Whole Time Director of the Company is as per the existing terms and conditions as mentioned below:

Remuneration:

i. Rs. 2,00,000/- per month
ii. Conveyance Allowance

He will be eligible for reimbursement towards fuel and car maintenance expenses at actually on production of bills. He and his family will be eligible for the health insurance. He shall not be entitled for any other allowances or benefits, other than mentioned above.

Leave Facilities:

He will be provided with 21 days of leave and 5 days of casual leave during the Tenure. Unutilized shall not be eligible for carry forward or for encashment.

Other Benefits:

Apart from the aforesaid remuneration, the Whole Time Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company.

The Whole Time Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

Minimum Remuneration:

Notwithstanding anything to the contrary herein where in any financial year during the currency of tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the above remuneration payable by way of salary and perquisites shall be deemed as Minimum Remuneration but however subject to the approval of the Central Government and/ or limits laid down under Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof as may be for the time being be in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary, alter or modify the terms and conditions including remuneration as may be directed by the Central Government and as may be agreed to by the Board of Directors and Mr. P. Vishwamurthy.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company."

7. Rectification of Special Resolution for further issue of Equity Shares on preferential basis:

To consider, and if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT in continuation of Special Resolution already passed by the Shareholders in the Extra Ordinary General Meeting of the Company held on 28th April, 2017 and in order to modify the Explanatory Statement and add certain additional information, as mandated by the Stock Exchanges the following Special Resolution be once again passed by the Shareholders.

"RESOLVED FURTHER THAT pursuant to the provisions of Section 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, read with the rules made there under (including any statutory modification(s) or re-enactment(s) thereof for time being in force) and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and in accordance with the rules, regulations and guidelines of the Securities and Exchange Board of India (SEBI) (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (ICDR Regulations), SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other Listing Regulations as may be applicable and subject to the approval(s), consent(s), permission(s) and sanction(s) of any authorities as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed if any of the appropriate authorities, institutions, as may be required and subject to such other conditions as may be prescribed by any of them while granting any such approval(s), consents(s), permission(s) and sanction(s), which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of Directors duly constituted or to be constituted thereof to exercise its powers conferred by this resolution), the approval of the members of the Company be and is hereby accorded to the Board to offer, issue and allot from time to time upto 1,19,00,000 (One Crore Nineteen Lakhs) Equity Shares of the Company i.e., face value of Rs. 10/- (Rupees Ten only) each on a preferential basis to Kuber Global Fund, a company registered according to the laws of Mauritius on such terms and conditions as set out in the Explanatory Statement annexed to the notice convening this meeting at a price of Rs. 40/- (Rupees Forty only) per Share including premium of Rs. 30/- (Rupees Thirty only) per Share or at a price not less than the price determined in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations), whichever is higher and that the Company shall issue shares through offer letter and/or such other documents / writings or such other manner and on such terms and conditions as may be determined by the Board at its absolute discretion or such other higher price as may be arrived at, in accordance with the SEBI (ICDR) Regulations (Issue price).

Sl. No.	Name of the Investor	No. of Shares
1	Kuber Global Fund	11900000
	Total	**11900000**

RESOLVED FURTHER THAT in accordance with the provisions of SEBI (ICDR) Regulations, the 'Relevant Date' for the purpose of calculating the price of Equity Shares to be issued in terms hereof shall be 29th March, 2017, being the date 30 days prior to the date of Extra Ordinary General Meeting i.e. 28th April, 2017.

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted shall be subject to lock-in as provided under the provisions of the SEBI (ICDR) Regulations and the Equity Shares so offered, issued and allotted shall rank pari passu with the existing Equity Shares of the Company in all respects including payment of Dividend, if any.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may needs absolute discretion deem necessary, desirable and expedient for such purpose including without limitations to issue and allot Equity Shares and settle any question, difficulty or doubt that may arise from time to time in relation thereto.

RESOLVED FURTHER THAT the Board be and is hereby further authorized to delegate all or any of the powers herein conferred by this Resolution to any Director(s) or any Committee of Directors, as permitted under the law, to give effect to the aforesaid Resolution."

8. Rectification of Special Resolution for issue of Warrants to Promoters on preferential basis:

To consider, and if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT in continuation of Special Resolution already passed by the Shareholders in the Extra Ordinary General Meeting of the Company held on 28th April, 2017 and in order to modify the Explanatory Statement and add certain additional information, as mandated by the Stock Exchanges the following Special Resolution be once again passed by the Shareholders.

"RESOLVED THAT in accordance with the provisions of the Section 62 (1) (c) and all other applicable provisions, if any, of the Companies Act, 2013, provisions of the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and Guidelines and other applicable provisions including any statutory modification(s) or re-enactment thereof, for the time being in force, the provisions of the Memorandum and Articles of Association of the Company, the relevant Guidelines for Preferential Issue as specified under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereof, any other Guidelines or Regulations of SEBI, Listing Regulations the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other Listing Regulations as may be applicable and subject to the consent/approval of any other authority / institution, consent of the members be and is hereby accorded to create, offer, issue and allot up to 53,00,000 (Fifty Three Lakhs) Warrants convertible into Equity Shares on a preferential basis to the following Promoters as set out herein below (hereinafter referred to as "Warrants") with each Warrant convertible into one Equity Share of the Company of nominal value of Rs.10/- (Rupees Ten only) each at a premium of Rs. 30/- (Rupees Thirty only) per share, so that the total number of Equity Shares to be issued by the Company upon conversion of the Warrants does not exceed 53,00,000 (Fifty Three Lakhs) Equity Shares, on such terms and conditions as may be decided and deemed appropriate by the Board of Directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include any duly authorized Committee thereof) at the time of issue or allotment:

Sl. No.	Names of the Promoters	No. of Warrants
1.	Mr. Phalanetra Vishwamurthy	2000000
2.	Mr. Venkatraman Ranganathan	700000
3.	Mr. Phalanetra Bharath	2000000
4.	Mr. Shridhar Shankar Hegde	600000
	Total	**5300000**

RESOLVED FURTHER THAT the "Relevant Date" in relation to the issue of Warrants in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 would be 29th March, 2017, being 30 days prior to the date of passing of this Resolution.

RESOLVED FURTHER THAT the aforementioned issue of Warrants shall be subject to the following terms and conditions:

1. The Warrants shall be convertible (at the sole option of the Warrant holders) at any time but within a period of 18 months from the date of allotment of Warrants.
2. Each Warrant shall be convertible into one Equity Share of nominal value of Rs. 10/- (Rupees Ten only) each of the Company.
3. The Warrant holder(s) shall, on the date of allotment of Warrants, pay an amount equivalent to 25% of the total consideration per Warrant viz., Rs. 10/- (Rupees Ten only) per Warrant, each Warrant priced at Rs. 40/- (Rupees Forty only) inclusive of Premium of Rs. 30/- (Rupees Thirty only).
4. The Warrant holder(s) shall, before the date of conversion of the Warrants into Equity Shares, pay the balance 75% i.e., Rs. 30/- (Rupees Thirty only) per Warrant being the balance consideration towards the subscription to each Equity Shares.

5. If the SEBI floor price for the preferential issue determined as per the SEBI (ICDR) Regulations exceeds the conversion price determined as on the date of this notice, the Board is authorized to revise the conversion price in accordance with the floor price computed as on the relevant date.
6. The amount referred to in (3) above shall be forfeited, if the option to convert in to the Shares is not exercised subject however, to the enabling powers being vested in the Board herein.
7. The number of Warrants and the price per Warrant shall be appropriately adjusted, subject to the Companies Act, 2013 and SEBI Guidelines, for corporate actions such as bonus issue, right issue, stock split, merger, de-merger, transfer of undertaking, sale of division or any such Capital or corporate restructuring.
8. The Equity Shares shall be under lock in for a period of three years and the lock in date commences from the date of conversion of Warrants into Equity Shares or on such other lock in commencement date as may be prescribed by SEBI.
9. In the event of any of the Warrant holders not subscribing to all or any of the Equity Shares relatable to the Warrants within the stipulated period viz.,18 months from the date of allotment of the Warrants, such warrants shall lapse.

   RESOLVED FURTHER THAT the Board of Directors be authorized to deal with any issue arising out of the proposed issue including powers to forfeit the application monies on account of the unexercised Warrants, in the best interests of the Company."

9. Fees for delivery of any document through a particular mode of delivery to a member:

To consider, and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules prescribed thereunder, upon receipt of a request from a member for delivery of any document through a particular mode an amount of Rs. 10/- (Rupees Ten only) per sheet, over and above reimbursement of actual expenses incurred by the Company, be levied as and by way of fees for sending the document to him in the desired particular mode.

RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member in advance to the Company, before dispatch of such document.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the documents to be paid in advance."

For and on behalf of Cerebra Integrated Technologies Limited

V. Ranganathan
Managing Director
DIN: 01247305

Place : Bangalore
Date : 22nd June, 2017

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY APPOINTED NEED NOT BE A MEMBER. THE DULY FILLED IN PROXY FORM MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.

2. Explanatory Statement as per Section 102 of the Companies Act, 2013 is attached hereto.

3. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of Meeting will be regulated by an Attendance Slip, which is forwarded as detachable part of Annual Report. Members are requested to affix their signature at the place provided in the Attendance Slip and hand it over at the entrance.

4. Members, who hold shares in dematerialized form, are requested to bring in their Client ID and DP ID nos. for easier identification of attendance at the meeting and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting.

5. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least 7 days prior to the Meeting, so that, the required information can be made available at the Meeting.

6. Members holding shares in physical form are requested to notify immediately any change in their address to the Company's Registrar and Transfer Agent, Karvy Computershare Private Limited. Members holding shares in electronic form may intimate any such changes to their respective Depository Participants (DPs).

7. Members holding more than one share certificate in different folios are requested to kindly apply for consolidation of the folios and send the relative share certificates to the Company's Registrar and Share Transfer Agent, namely:

   Karvy Computershare Private Limited
   Karvy Selenium Tower B, Plot number 31 & 32
   Financial District, Nanakramguda, Serilingampally Mandal
   Hyderabad - 500 032, India
   Phone: 040 - 91 40-67161564 Fax 9140-23420814
   Email: shobha.anand@karvy.com

8. Listing fee has been paid to the BSE Limited and National Stock Exchange of India Limited (NSE) up to date and the Company has already made delisting applications to Kolkata Stock Exchange and Ahmedabad Stock Exchange.

9. The Company's Shares are traded in electronic form with ISIN No. INE345B01019.

10. The Register of Members and the Share Transfer Books will remain closed on 21st August, 2017 in connection with the Annual General Meeting.

11. Members are kindly requested to bring Annual Report 2016-17 along with them to the Annual General Meeting, since extra copies will not be supplied at the Meeting.

12. To support the 'Green Initiative', the Members who have not registered their e-mail address are requested to register the same with Karvy Computershare Private Limited.

    As regards to re-appointment of Mr. V. Ranganathan (holding DIN: 01247305) referred to, in item No. 2 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Particulars	Details
Name	Mr. V. Ranganathan
Date of Birth	12th November, 1963
Date of Appointment	25th July, 1992
Qualifications	B.E.
Expertise in specific functional area	Electrical and Electronics
Directorships held in other Companies (excluding foreign companies)	1
Membership/Chairmanships of Committees of other public companies (included only Audit and Shareholders/ Investors Grievance Committee)	Nil
No. of Board Meetings attended during the year	6

13. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all Resolutions set forth in the Notice convening the 23rd Annual General Meeting to be held on 21st August, 2017 at the Registered Office of the Company at #S-5, off 3rd Cross, I Stage, Peenya Industrial Area, Bangalore-560 058. The Company has engaged the services of Karvy Computershare Private Limited to provide the e-voting facility.

The instructions for E-voting are as under:

i. **To use the following URL for e-voting:**

https://evoting.karvy.com

ii. Enter the login credentials (i,e., User ID and password mentioned below). Event No. followed by Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering the details appropriately, click on LOGIN.

iv. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the EVENT i.e., Cerebra Integrated Technologies Limited.

vii. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR" / Against as the case may be. You are not required to cast all your votes in the same manner. You may also choose the option ABSTAIN in case you wish to abstain from voting.

viii. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/ demat account.

ix. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.

x. Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail parameshwar@vjkt.in or scrutinizer@cerebracomputers.com.

xi. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.

xii. The Portal will remain open for voting from: Thursday, 17th August, 2017 (9:00 AM) and ends on Sunday, 20th August, 2017 (5:00 PM).

xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting User Manual for Shareholders available at the download section of https://evoting.karvy.com or contact Mrs. Shobha Anand of Karvy Computershare Private Limited at 040-67162222 or at Tel No. 1800 345 4001 (toll free).

xiv. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case a Member receives physical copy of the Annual General Meeting Notice by Post [for Members whose email IDs are not registered with the Company/Depository Participants]:

(i) User ID and initial password as provided overleaf.

(ii) Please follow all steps from Sl. No. (1) to (12) as mentioned in above, to cast your vote.

xv. The results of e-voting will be announced by the Company in its website and also informed to the Stock Exchanges.

E-voting Details

EVENT	User ID	Password

Kindly note that once you have cast your vote you cannot modify or vote on poll at the Annual General Meeting. However, you can attend the Meeting and participate in the discussions, if any.

xvi. The voting period begins on Thursday the 17th August, 2017 (9:00 A.M.) and ends on Sunday 20th August, 2017 (5:00 P.M.). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 14th August, 2017, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter once the vote on a Resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.

xvii. The voting rights of the Shareholders shall be in proportion to their Shares of the Paid-up equity Share Capital of the Company as on the cut-off date of 14th August, 2017.

xviii. Mr. Parameshwar G. Bhat, Practising Company Secretary, Bangalore has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

xix. The Scrutinizer shall within a period of not exceeding Forty Eight (48) hours from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to Managing Director or designated Director of the Company.

xx. The results of Annual General Meeting shall be declared within Forty Eight hours from the conclusion of the Annual General Meeting. The e-voting along with the Scrutinizer's Report shall be placed on the Company's website (www.cerebracomputers.com) and on the website of Karvy. The results will also be communicated to the Stock Exchanges where the Shares of the Company are listed.

xxi. Further, members may note the following:

a. Remote e-voting shall not be allowed beyond the said date and time.

b. The Company is providing facility to vote on a poll to the members present at the meeting.

c. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

d. A person whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the General Meeting.

xxii. The Shares of the Company are compulsorily traded in electronic form. The Members are requested to forward all applications for transfer and all other shares related correspondence, including intimation for change of address, if any, to the Registrars and Transfer Agent of the Company at the following address:

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot number 31 & 32
Financial District, Nanakramguda, Serilingampally Mandal
Hyderabad-500 032, India
Phone: 040 - 91 40-67161564 Fax 9140-23420814
Email: shobha.anand@karvy.com

xxiii. Pursuant to SEBI notification no. MED/DOP/ Circular/05/2009 dated May 20, 2009, it has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company/RTA to enable/effect transfer of Shares in physical form.

By order of the Board

Place : Bangalore
Date : 22nd June, 2017

V. Ranganathan
Managing Director
DIN: 01247305

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 4:

Mr. V Ranganathan holds an Engineering degree from Bangalore University and has 31 years of experience in the Electronics and IT Industry and as Managing Director in the Company for 25 years. Mr. V Ranganathan is associated with the Company as a Promoter since inception and has been responsible for bringing the Company to this level.

It is proposed to re-appoint Mr. V Ranganathan as Managing Director of the Company on such terms and conditions as mentioned in the aforesaid Resolution.

Based on the recommendation of the Nomination and Remuneration Committee and the justifications, the Board recommends the Resolution for your approval.

Except Mr. V Ranganathan, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said Resolution.

Following are the information pertaining to Managing Director seeking re-appointment at the 23rd Annual General Meeting as required by Regulation 36(3) of the SEBI (LODR) Regulations, 2015:

Name	**Mr. V. Ranganathan**
Date of Birth	12th November, 1963
Date of Appointment	25th July, 1992
Qualifications	B.E.
Expertise in specific functional area	Electrical and Electronics
Directorships held in other Public Companies (excluding foreign companies)	1
Membership / Chairmanships of Committees of other public companies (included only Audit and Shareholders/ Investors Grievance Committee)	Nil

ITEM NO. 5:

Mr. Shridhar S. Hegde holds a degree from Bangalore University and has 36 years of experience in Marketing and as Director in the Company for 24 years. He has been responsible for Finance and Administration works of the Company.

It is proposed to re-appoint Mr. Shridhar S Hegde as Whole Time Director of the Company on such terms and conditions as mentioned in the aforesaid Resolution.

Based on the recommendation of the Nomination and Remuneration Committee and the justifications, the Board recommends the Resolution for your approval.

Except Mr. Shridhar S Hegde, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said Resolution.

Following are the information pertaining to Whole Time Director seeking re-appointment at the 23rd Annual General Meeting as required by Regulation 36(3) of the SEBI (LODR) Regulations, 2015:

Name	Mr. Shridhar S Hegde
Date of Birth	27th January, 1961
Date of Appointment	18th July, 1996
Qualifications	B.Sc.
Expertise in specific functional area	Finance
Directorships held in other Public Companies (excluding foreign companies)	1
Membership / Chairmanships of Committees of other public companies (included only Audit and Shareholders/ Investors Grievance Committee)	Nil

ITEM NO. 6:

Mr. P. Vishwamurthy holds Engineering degree from Mysore University and has 21 years of experience in IT Industry. Mr. P. Vishwamurthy has been responsible for ITES Business of the Company.

It is proposed to re-appoint Mr. P. Vishwamurthy as Whole Time Director of the Company on terms and conditions as mentioned in the aforesaid Resolution.

Based on the recommendation of the Nomination and Remuneration Committee and the justifications, the Board recommends the Resolution for your approval.

Except Mr. P. Vishwamurthy, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said Resolution.

Following are the information pertaining to Whole Time Director seeking re-appointment at the 23rd Annual General Meeting as required by Regulation 36(3) of the SEBI (LODR) Regulations, 2015:

Name	Mr. P. Vishwamurthy
Date of Birth	3rd May, 1967
Date of Appointment	18th July, 1996
Qualifications	B.E.
Expertise in specific functional area	Software and ITes
Directorships held in other Public Companies (excluding foreign companies)	1
Membership / Chairmanships of Committees of other public companies (included only Audit and Shareholders/ Investors Grievance Committee)	Nil

ITEM NOS. 7 AND 8:

Rectification of Special Resolutions for further issue of Equity Shares on preferential Basis and issue of Warrants to Promoters on preferential basis:

Your Company has under taken aggressive measures to expand its activities. Considering the growth potential, the need for additional working capital has been re-estimated by the Management. From time to time, fund needs are to be met without disrupting the day to day operations and the expansion programs.

Also, shareholders may recall that the Company had passed a Special Resolution unanimously in the Extra Ordinary General Meeting (EGM) of the Company held on 28th April, 2017 in relation to the item nos. 7 and 8 for further issue of Equity Shares on preferential basis and issue of warrants to promoters on preferential basis. Further, due to unintentional omission of disclosures of mandatory additional information in the Explanatory Statement in the EGM Notice and upon the instructions provided by the Stock Exchanges, the two Special Resolutions are proposed.

Objects of the Issue:

To part fund the expansion and diversification/modernization, new initiatives on expansion and to augment the working capital needs.

Intention of Promoters/Directors/Key management personnel to subscribe to the offer:

None of the Directors/Key Managerial Personnel is interested/concerned in the Resolutions except to the extent of their shareholding and further, Four (4) Promoters as mentioned below intend to subscribe to 5300000 Warrants under Resolution No. 8.

Name of the Allottee/Promoter

Mr. Phalanetra Vishwamurthy
Mr. Venkatraman Ranganathan
Mr. Phalanetra Bharath
Mr. Shridhar Shankar Hegde

Shareholding pattern before and after the proposed preferential issue and based on the Shareholding pattern as on 24th March, 2017 is as under:

Category Code	CATEGORY OF SHAREHOLDER	Pre issue capital		Post issue capital	
		NUMBER OF SHARES	%	NUMBER OF SHARES	%
(A)	**PROMOTERS HOLDING**				
(1)	**INDIAN**				
(a)	Individual	7283219	6.71	12583219	10.01
(b)	Bodies Corporate	0	0.00	0	0
(c)	Sub-Total	7283219	6.71	12583219	10.01
(2)	Foreign Promoters	0	0.00	0	0
	Sub-Total (A)	**7283219**	**6.71**	**12583219**	**10.01**
(B)	**NON-PROMOTERS HOLDING**				
(1)	Institutional Investors	835941	0.77	835941	0.67
(2)	Non-Institution:				
	Private Corporate Bodies	38444930	35.44	38444930	30.59
	Foreign Corporate Bodies	24907520	22.96	24907520	19.82
	Directors and Relatives				
	Indian Public	35573909	32.79	35573909	28.30
	Strategic Investors				
	Others (Including NRI's)	1440963	1.33	1440963	1.15
	Sub-Total (B)	**101203263**	**93.29**	**113103263**	**89.99**
	Grand Total (A+B) :	**108486482**	**100.00**	**125686482**	**100.00**

The above shareholding pattern has been arrived on the assumption that the entire 5300000 Warrants proposed to be issued would be converted into Equity Shares.

Proposed time limit within which the allotment shall be complete.

Within 15 days from the date of passing of this Resolution or within 15 days from the date of receipt of approvals by any regulatory authority or Central Government, whichever is later, as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time.

Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/ or who ultimately control the proposed allottee, the percentage of post-preferential issued capital that may be held by the said allottee and change in control, if any, in the Company consequent to the preferential issue would be as follows:

A. Certain Promoters - Warrants:

Sl. No.	Name of the Allottees	Category	Pre Issue Holdings	% of Total Equity	Post Issue Holdings	% of Total Equity
1.	Mr. Phalanetra Vishwamurthy	Promoter	998130	0.92	2998130	2.39
2.	Mr. Venkatraman Ranganathan	Promoter	2685666	2.48	3385666	2.69
3.	Mr. Phalanetra Bharath	Promoter	1010702	0.93	3010702	2.40
4.	Mr. Shridhar S. Hegde	Promoter	2578721	2.28	3178721	2.53

The above shareholding has been arrived on the assumption that the entire 5300000 Warrants proposed to be issued would be converted into Equity Shares.

B. Strategic Investors:

Sl. No.	Name of the Allottee	Ultimate Beneficial Owners	Category	Pre Issue Holdings	% of Total Equity	Post Issue Holdings	% of Total Equity
1	Kuber Global Fund	1. Miss. Vidyotma Lotun 2. Mr. Riyaz Suterwalla 3. Mr. Tsang Fan Kwet Tsang Mang Kin	Non Promoter	Nil	Nil	11900000	9.47

Note: The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment. However, Kuber Global Fund may nominate one person on the Board of the Company which will not change in any manner the management or control of the Company.

Issue Price:

The issue price of Rs.40/- (Rupees Forty only) (including the premium of Rs. 30/- (Rupees Thirty only) per Equity Share is in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, and for the purpose of the above guidelines, the Relevant Date is 29th March, 2017.

Re-computation of Price:

The Company shall re-compute the price of the securities in terms of provisions of the SEBI (ICDR) Regulations, where it is required to do so and the amount payable on account of the re-computation of price if not paid within the time stipulated in the SEBI (ICDR) Regulations, the securities shall continue to be locked-in till the time such amount is paid by the allottee.

Auditors' Certificate:

A copy of the Certificate of the Statutory Auditors of the Company certifying the adherence to SEBI Guidelines for preferential issues, under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for the proposed issue is open for inspection at the Registered Office of the Company till the date of announcement of the results.

The shares shall be locked-in for such period as prescribed by SEBI Guidelines.

As per the SEBI (ICDR) Regulations, 2009, the Equity Shares allotted on preferential basis to persons other than promoter and promoter group shall be locked in for a period of one year from the date of trading approval issued by Stock Exchanges.

As per the SEBI (ICDR) Regulations, 2009, the Equity Shares allotted on preferential basis to promoter or promoter group pursuant to exercise of options attached to warrants issued on preferential basis to promoter or promoter group, shall be locked-in for a period of three years from date of trading approval granted for the specified Equity Shares.

Further, the Valuation Report for the price determined in accordance with SEBI Regulations is available for inspection of the Shareholders.

The Resolution set out in the Notice are recommended for the approval of the Shareholders.

None of the Directors/Key Managerial Personnel is interested/concerned in the Resolutions no 7 and 8 except to the extent of their shareholding and any Shares/Warrants which may be allotted to them in the Company.

The Board of Directors recommends the Special Resolutions no 7 and 8 for your approval.

ITEM NO. 9:

Fees for delivery of any document through a particular mode of delivery to a member:

Section 20 of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014 provides the mode of service of documents *inter alia* to the members of the Company. Further, proviso to sub-section (2) of that Section states that where a member requests for delivery of any document through a particular mode, he shall pay such fees as may be determined by the company in its Annual General Meeting.

Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the Resolution.

Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors accordingly recommends the Ordinary Resolution in Item no. 9 of this Notice for approval by the Shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said Resolution.

By order of the Board

Place : Bangalore
Date : 22nd June, 2017

V. Ranganathan
Managing Director
DIN: 01247305

BOARD'S REPORT

To the Members,

The Directors have pleasure in presenting before you the 23rd Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2017.

CONSOLIDATED FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS AND STATE OF AFFAIRS:

(Rs. in Lakhs)

Particulars	2016-17	2015-16
Gross Income	25197.46	24192.73
Profit Before Interest and Depreciation	1470.22	600.97
Finance Charges	146.53	252.66
Gross Profit	1323.69	348.31
Provision for Depreciation	17.01	51.46
Profit before exceptional and extraordinary items and tax	1306.68	296.85
Exceptional Items	0.00	100.22
Provision for Tax	94.80	33.22
Net Profit After Tax	1211.88	163.40
Minority Interest	86.92	-1.83
Balance of Profit brought forward	1124.96	165.23
Proposed Dividend on Equity Shares	0.00	0.00
Tax on proposed Dividend	0.00	0.00

1. PERFORMANCE OF THE COMPANY:

Your Company has been since many years implementing various IT based projects for many Startups, Government agencies and established companies. The Company studies the customers IT requirements, identify pain points and accordingly design and plan their IT Hardware and Software infrastructure which includes security, networking, servers, storage, endpoints, operating systems, application software and ensure successful implementation for optimal performance.

Many small and medium size enterprises lack proper IT infrastructure and rely more on AMC providers for their IT requirements which get fulfilled on a short term basis mainly because the AMC companies lack the technical skills as well as the vision to design IT infrastructure based on growth plans. In addition, many more companies are looking to completely outsource their IT resources for day to day operations and maintenance. Cerebra can successfully help bridge this gap with its technical competencies and strategic tie-ups with leading MNC technology vendors such as IBM, Dell EMC, HP, Cisco, Fujitsu, Intel, Brocade, Fortinet, Checkpoint, Extreme Networks, Lenovo, Canon, TVSE, Brother, Samsung, Lexmark, Xerox, Radware, Array Networks, VMware, RHEL, Microsoft etc to name a few. Cerebra can design, supply, implement and maintain IT infrastructure for SMEs as well as large enterprises successfully.

Your Company's continued focus to on research labs, airports, defense, PSUs, PSBs, etc has been fruitful and lead the Company successfully executing large orders from Hindustan Aeronautics Limited, Bharat Electronics Limited, Satish Dhawan Space Centre, ISTRAC, Centre for Airborne Systems, Defense Avionics Research Establishment, Transport Department - Government of Karnataka, Karnataka Power Corporation, Directorate of Electronic Delivery of Citizen Services (EDCS) - Bangalore One and Karnataka One Centres, Electrical Inspectorate, Karnataka State Remote Sensing Application Centre, Bangalore Water Supply and Sewerage Board, etc., to name a few. The Company has also been successful in the higher education segment both in government as well as private institutions.

In addition, Cerebra has been adding new corporate customers in the retail, manufacturing and healthcare segments. Your Company also has been considered as a preferred vendor by many of these organizations. Cerebra has also

strengthened its relationships with leading MNC OEM Brands and established itself as a key player especially in education, healthcare, defense, space and research lab segments while we stay focused on making a mark in other state and central government departments/bodies/PSUs and private enterprise companies.

Cerebra has recently completed execution of the prestigious project of augmentation of Bangalore One Centres, Karnataka One Centres and Electrical Inspectorate Offices across the state. Another prestigious project is the data centre set up at the Karnataka State Remote Sensing Application Centre. In addition, the ongoing project of Automated Driving Test System to fully automate the process of testing and issuance of driving license by the Department of Transport and Road Safety, Government of Karnataka has been implemented across 6 RTOs. Cerebra will run and maintain the same for a period of 5 (Five) years at six RTOs in Karnataka and the same will be extended to a further three RTOs.

With an added focus on services business such as AMC, FMS, Implementation and other value added services, your Company has successfully added many prestigious customers where the Company is providing FMS and AMC services both in the government as well as corporate segments. This has enabled Cerebra to also identify new business opportunities and make a fairly sizeable contribution to Cerebra's revenues. With incremental focus and engagement in network security, backup and surveillance opportunities, the Company is looking to further strengthen the offerings.

ELECTRONIC MANUFACTURING SERVICES:

This division has added many new customers this year and also retained existing clients who have consistently increased the current orders. Exports have also done well in this division. This division has performed well and is currently rated as one of the Top Vendors. Domestic market has also increased and the division has confirmed orders for the next six months. Your Company is already looking to expand by adding one or two SMT lines in the upcoming financial year which will automatically increase production.

E-WASTE NEW PLANT RELATED ASPECTS:

The Board is pleased to report the establishment of state of the Art facility for E-Waste recycling plant at the Narsapura, Kolar during the month of February 2017 in the 12 acres of land at Narsapura Industrial Area, Old Madras Road allotted by the Karnataka Govt. (KIADB) in the name of the Company and the machineries imported were installed. Required license has been obtained from the Karnataka State Pollution Control Board.

Your Company today has one of the most modern and best suited e-waste recycling plants in the country.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Cerebra Middle East divides it's business into two business units, ICT and Surveillance Security Solutions. Cerebra ME's portfolio on ICT includes leader like Fujitsu, NetApp, FalconStor, Perpetuity Actifia and Never fail. On Surveillance Security Solutions, Cerebra ME represents best in class vendors like Canon, Milestone, Fibrenetix, Rassilient, Promise and Solus.

The Middle-East electronic security market has been categorized into three segments - Video Surveillance (Analog Surveillance, IP Surveillance Systems and Software), Access Control (Card Reader, Biometric, and Others) and Intrusion Detection Systems. In the Middle-East electronic security market, video surveillance segment grew aggressively and expected to grow further over the next six years, where IP/ network video surveillance sub-segment contributed majorly. Growing construction market, rising IT infrastructure, increasing security spending coupled with growing security concerns have driven the electronic security systems market in Middle-East.

2. MATERIAL CHANGES AND COMMITMENTS:

There were no material changes and commitments which occurred, affecting the financial position of the Company between 31st March, 2017 and the date on which this report has been signed.

However, the Company has executed Shareholders' Agreement with Kuber Global Fund, a company incorporated according to the laws of Mauritius on 25th May, 2017.

3. CHANGE IN THE NATURE OF BUSINESS:

The Company continues to focus on the strength of ESD, EMS and E-Waste and in addition, the Company will be focusing on the High End Servers, Large Data Storage etc.

4. DIVIDEND:

With the view to conserve the resources of the Company, the Directors have not recommended any dividend.

5. AMOUNTS TRANSFERRED TO RESERVES:

The Board has proposed not to carry any amount to its reserves.

6. CHANGES IN SHARE CAPITAL:

Authorized Share Capital

There were no changes in the Authorised Share Capital of the Company during the financial year 2016-17.

However, post completion of the financial year ended 31st March, 2017, the Authorised Share Capital of the Company was increased from Rs. 110,20,00,000 (Rupees Hundred and Ten Crores Twenty Lakhs only) divided into 11,02,00,000 (Eleven Crores Two Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 126,00,00,000 (Rupees One Hundred and Twenty Six Crores only) divided into 12,60,00,000 (Twelve Crores Sixty Lakhs) Equity Shares of Rs. 10/- (Rupee Ten only) each by additionally creating 1,58,00,000 (One Crores Fifty Eight Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each in the Extra Ordinary General Meeting of the Company held on 28th April, 2017.

Paid up Share Capital

During the financial year 2016-17, the Paid up Share Capital of the Company was increased from Rs. 96,40,77,220/- (Rupees Ninety Six Crores Forty Lakhs Seventy Seven Thousand Two Hundred and Twenty only) divided into 9,64,07,722 (Nine Crores Sixty Four Lakhs Seven Thousand Seven Hundred and Twenty Two) Equity Shares of Rs. 10/- (Rupees Ten only) to Rs. 1,08,48,64,820/- (Rupees Hundred and Eight Crores Forty Eight Lakhs Sixty Four Thousand Eight Hundred and Twenty only) divided into 10,85,06,782 (Ten Crores Eighty Five Lakhs Six Thousand Seven Hundred and Eighty Two) Equity Shares of Rs. 10/- (Rupees Ten only) pursuant to allotment of 1,20,78,760 Equity Shares of Rs. 10/- (Rupees Ten only) each at a premium of Re. 0.50 (Fifty Paisa only) upon the conversion of FCCBs on 23rd November, 2016.

Further, post completion of the financial year ended 31st March, 2017, the Paid up Share Capital of the Company was increased from Rs. 1,08,50,67,820/- (Rupees Hundred and Eight Crores Fifity Lakhs Sixty Seven Thousand Eight Hundred and Twenty only) divided into 10,85,06,782 (Ten Crores Eighty Five Lakhs Six Thousand Seven Hundred and Eighty Two) Equity Shares of Rs. 10/- (Rupees Ten only) to Rs. 120,40,67,820/- (Rupees One Hundred and Twenty Crores Forty Lakhs Sixty Seven Thousand Eight Hundred and Twenty only) divided into 12,04,06,782 (Twelve Crores Four Lakhs Six Thousand Seven Hundred and Eighty Two) Equity Shares of Rs. 10/- (Rupees Ten only) pursuant to allotment of 11900000 Equity Shares of Rs. 10/- (Rupees Ten only) in the Board Meeting held on 22nd June, 2017.

Allotment of Warrants:

Moreover, post completion of the financial year ended 31st March, 2017, pursuant to the Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting of the Company held on 28th April, 2017, the Company has allotted 5300000 Warrants convertible into Equity Shares at nominal value of Rs. 10/- (Rupees Ten only) each at a premium of Rs. 30/- (Rupees Thirty only) per Share to certain Promoters on certain terms and conditions agreed upon.

Disclosure regarding Issue of Equity Shares with Differential Rights

During the year under review, the Company has not issued Shares with Differential Rights.

Disclosure regarding issue of Employee Stock Options:

During the year under review, the Company has not issued Shares under Employee Stock Options.

Disclosure regarding issue of Sweat Equity Shares:

During the year under review, the Company has not issued Sweat Equity Shares.

7. CAPITAL INVESTMENTS

Capital Investments during the financial year 2016-17 was at Rs. 2400.37 Lakhs (Net of capital work-in-progress and capital advances) (2015-16 was Rs. 2817.34 Lakhs).

8. BOARD MEETINGS:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the year under review Six (6) Meetings were held on 30th May 2016, 13th August 2016, 3rd November 2016, 23rd November 2016, 23rd January 2017 and 27th March 2017.

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

The details of other Committee Meetings during the financial year 2016-17 are given in the Corporate Governance Report.

9. DIRECTORS AND KEY MANANGERIAL PERSONNEL:

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. V. Ranganathan (holding DIN: 01247305) Managing Director, retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

Based on the recommendations of the Nomination and Remuneration Committee, re-appointments of Mr. V Ranganathan as Managing Director, Mr. Shridhar S Hegde and Mr. P Vishwamurthy as Whole Time Directors of the Company whose offices come to end on 31st December, 2017 may be considered by the Shareholders at the ensuing Annual General Meeting.

10. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received necessary declarations from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

11. COMPOSITION OF AUDIT COMMITTEE:

As on 31st March, 2017 the Audit Committee of the Company consisted of three (3) Non-Executive Independent Directors and all of them have financial and accounting knowledge.

The Board has accepted the recommendations of the Audit Committee during the year under review.

The Audit Committee consists of the following:

a) Mr. S. Gopalakrishnan - Chairman

b) Mr. T S Suresh Kumar - Member

c) Mr. P. E. Krishnan - Member

12. NOMINATION AND REMUNERATION COMMITTEE POLICY:

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a Policy for selection and appointment of Directors, Senior Management and for other employees and their remuneration. The same has been disclosed in the website of the Company at url http://www.cerebracomputers.com/governance.htm. The Composition, criteria for selection of Directors and the terms of reference of the Nomination and Remuneration Committee is stated in the Corporate Governance Report.

The Nomination and Remuneration Committee consists of the following:

a) Mr. S. Gopalakrishnan - Chairman

b) Mr. T S Suresh Kumar - Member

c) Mr. P. E. Krishnan - Member

13. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has established an effective Vigil Mechanism pursuant to the provisions of Sections 177(9) and (10) of the Companies Act, 2013 and as per Regulation 4(2)(d)(iv) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 which is available in website of the Company at url http://www.cerebracomputers.com/governance.htm.and there were no cases reported during the last period.

14. RECEIPT OF ANY COMMISSION BY MD / WTD FROM A COMPANY OR FOR RECEIPT OF COMMISSION / REMUNERATION FROM ITS HOLDING OR SUBSIDIARY:

No commission has been received by MD/WTD from a Company and/or receipt of commission/remuneration from its Subsidiary Companies to be provided during the year under review.

15. EXTRACT OF ANNUAL RETURN:

As required pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT 9 as a part of this Annual Report is attached as Annexure I.

16. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JV:

The Company has following Subsidiaries:

a) Cerebra LPO India Limited

b) Cerebra Middle East FZCO, Dubai

Financial performance of the Subsidiary Companies referred to in Section 129 of the Companies Act, 2013 in Form AOC-1 is annexed to this Report as Annexure-II.

The Policy for determining material Subsidiaries as approved by the Board is uploaded on the Company's website at url http://www.cerebracomputers.com/governance.htm.

17. STATUTORY AUDITORS:

The Auditors, Messrs Ishwar & Gopal, Chartered Accountants, Bangalore, registered with Institute of Chartered Accountants of India (ICAI) under the firm registration number 001154S, were appointed for the period of 5 (five) years from the conclusion of the 21st Annual General Meeting till the conclusion of 26th Annual General Meeting and will be recommended to be ratified by the Shareholders in the ensuing Annual General Meeting.

Emphasis of matter and observation in the Audit Report

a. Without qualifying our report, we draw attention to note 27.11, 27.12 and 27.13 of the standalone financial statements relating to capital advances amounting to Rs. 37,24,80,412/- and trade receivables amounting to Rs. 19,45,44,167/- which are outstanding for more than three years.This raises question regarding recoverability of these dues. The Management is confident of recovering the same either in cash or in kind and hence no provision is made in the accounts.

b. Regarding the advance of Rs. 8,88,61,943/- to subsidiaries are in violation of provisions of Section 185 of the Companies Act, 2013.

Board's Response:

a. Regarding the Advance towards purchase of fixed assets and trade receivables the management is hopeful of recovering the amount and hence no provision has been made.

b. Cerebra LPO India Limited is a Subsidiary with 70% shareiholdings and Cerebra Middle East FZCO Dubai UAE is Subsidiary with 90% Shareholding s. Only on need basis considering the circumstances and the urgent needs, the Company has lent monies to this Subsidiaries which will be refunded soon. Cerebra LPO India Limited does not have any banking facility nor does it have any other sources of funding. The Board felt it appropriate to support the Subsidiary on emergency basis.

18. SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Parameshwar G Bhat, Bangalore, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor in the Form MR-3 is annexed to this Report as Annexure III.

Explanations by the Board on the comments of Secretarial Auditors:

Sl. No.	Qualifications made by Secretarial Auditor	Explanations by the Board
a.	The RBI had not issued the approval letter for the FCGPRs filed by the Company. However, the Company had confirmed that there were some queries from RBI and the same were suitably addressed by the Company and this is being followed up with RBI.	The Company is continuously following with the RBI to obtain the approval letter for the FCGPRs filed by the Company. Further, Suitable reply has been submitted to RBI whenever there were queries.
b.	There were some instances of non compliances of the provisions of Section 185 of the Companies Act, 2013 with regard to providing loan/advance facility to its Subsidiary.	The Company will ensure to comply with the same in future. In order to meet critical requirments by the Subsidiary, the Company had extended on adhoc basis working capital financial assisstance.
c.	The ECB returns which were filed with regard to the FCCBs availed by the Company seems to be wrongly filed.	The Company will ensure to take corrective measures to rectify the error.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of energy:

Steps taken / impact on conservation of energy,	The Company's operations are not power intensive. Nevertheless, your Company has introduced various measures to conserve and minimize the use of energy wherever it is possible.
(i) Steps taken by the company for utilizing alternate sources of energy including waste generated	Nil
(ii) Capital investment on energy conservation equipment	Not Applicable
Total energy consumption and energy consumption per unit of production as per Form A	Not Applicable

(B) Technology absorption:

Efforts in brief, made towards technology absorption, adaptation and innovation	Nil
Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.	Not Applicable
In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil
Technology imported	Not Applicable
Year of Import	Not Applicable
Has technology been fully absorbed	Not Applicable
If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	Not Applicable

(C) Research and Development (R&D)

Specific areas in which R & D carried out by the company	The Company has not carried out any research and development work during the course of the year.
Benefits derived as a result of the above R & D	Not Applicable
Future plan of action	Not Applicable
Expenditure on R & D	
(a) Capital	Nil
(b) Recurring	Nil
(c) Total	Nil
(d) otal R & D expenditure as a percentage of total turnover	Nil

(D) Foreign exchange earnings and Outgo

Activities relating to exports	Not Applicable
Initiatives taken to increase exports	Not Applicable
Development of new export markets for products and services	Not Applicable
Export plans	Not Applicable
Total Exchange used (Cash basis)	As on 31st March, 2017: Rs. 2,08,56,490/-
Total Foreign Exchange Earned (Accrual Basis)	As on 31st March, 2017: Rs. NIL

20. RATIO OF REMUNERATION TO EACH DIRECTOR:

The Company had 64 employees as of 31st March, 2017. Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1)(2)(3) of the Companies (Appointment and Remuneration) Rules, 2014, details/disclosures of Ratio of Remuneration to each Director to the median employee's remuneration is annexed to this report as Annexure-IV.

There are no employees posted and working in a country outside India, not being Directors or relatives, drawing more than One Crore Two Lakhs rupees per financial year or Eight Lakhs Fifty Thousand rupees per month as the case may be. Therefore statement/disclosure pursuant to Sub Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be circulated to the members and is not attached to the Annual Report.

21. DEPOSITS:

Your Company has not invited/accepted/renewed any deposits from public as defined under the provisions of Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 and accordingly, there were no deposits which were due for repayment on or before 31st March, 2017.

22. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

No order was passed by any court or regulator or tribunal during the period under review which impacts going concern status of the Company.

However, post completion of the financial year ended 31st March, 2017, the Company has obtained necessary consent from the Karnataka State Pollution Control Board to start production for its E-Waste plant in Bangalore on 22nd May, 2017.

23. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company continued to maintain, high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid-down systems and policies are comprehensively and frequently monitored by your Company's management at all levels of the organization. The Audit Committee, which meets at-least four times a year, actively reviews internal control systems as well as financial disclosures with adequate participation, inputs from the Statutory, Internal and Corporate Secretarial Auditors.

24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year under review, the Company has not given any loan, Guarantees or made Investments within the meaning of Section 186 of the Companies Act, 2013.

25. RISK MANAGEMENT POLICY:

The Company has not yet formulated a Risk Management Policy and has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and undertakes periodical review to ensure that executive management controls risk by means of a properly designed framework.

26. CORPORATE SOCIAL RESPONSIBILTY POLICY :

Since the Company does not meet the criteria for the applicability of Section 135 of the Companies Act read with the Companies (Accounts) Rules, 2015, this clause is not applicable.

27. INDUSTRIAL RELATIONS:

Industrial relations have been cordial and constructive, which have helped your Company to achieve production targets.

28. RELATED PARTY TRANSACTIONS:

There were Related Party Transactions during the financial year.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 in the prescribed format of Form AOC 2 has been enclosed with the report as Annexure V.

29. FORMAL ANNUAL EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance and the Directors individually. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

30. LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the financial year 2017-18 to National Stock Exchange of India Limited (NSE) and BSE Limited where the Company's Shares are listed.

31. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

A separate Report on Corporate Governance in terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with a Certificate from a Practising Company Secretary regarding compliance to the conditions stipulated under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report as Annexure VI.

32. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report is annexed herewith as Annexure VII.

33. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

A Policy on Prevention of Sexual Harassment at Workplace has been released by the Company. The Policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour. Three member Internal Complaints Committee (ICC) was set up from the senior management with women employees constituting majority. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

No complaints pertaining to sexual harassment was reported during the financial year.

34. DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis; and

(e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

35. ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation for the sincere and dedicated efforts of all employees. Your Directors would also like to thank the Shareholders, Bankers and other Business associates for their sustained support, patronage and cooperation.

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore

Date : 22nd June, 2017

V. Ranganathan
Managing Director
DIN: 01247305

Shridhar S Hegde
Whole Time Director
DIN : 01247342

Annexure I

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN:L85110KA1993PLC015091
ii. Registration Date: 31st December, 1993
iii. Name of the Company: Cerebra Integrated Technologies Limited
iv. Category/Sub-Category of the Company: Company limited by shares and Indian Non Government Company
v. Address of the Registered office and contact details:

Registered Office Address: S5, Off 3rd Cross, Peenya Industrial Area
Peenya I Stage, Bangalore -560 058
Tel.: 080-22046969
Fax. : 080-22046980
Email: investors@cerebracomputers.com
Website: www.cerebracomputers.com

vi. Whether Listed Company: Yes
vii. Name, Address and Contact details of Registrar and Transfer:

Registrars: Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot number 31 & 32
Financial District, Nanakramguda, Serilingampally Mandal
Hyderabad-500 032, India
Tel.: 91 40-67161564
Fax.: 91 40-23420814
Email: laxmi.rajyam@karvy.com
Website: www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Wholesale of computers, computer peripheral equipment and software	46511/12	80
2	Manufacture of desktop computers, laptop computers, hand-held computers (e.g. PDA), mainframe computers and computer servers	26201	15
3	Computer consultancy and computer facilities management activities	62020	5

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Cerebra LPO India Limited	U72200KA2008PLC047597	Subsidiary Company	70	2(87)(ii)
2	Cerebra Middle East FZCO, Dubai, UAE	Foreign Company	Subsidiary Company	90	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	4629515	0	4629515	4.83	7283219	0	7283219	6.71	1.88
b) Central Govt	-	-		-	-	-	-	-	-
c) State Govt (s)	-	-		-	-	-	-	-	-
d) Bodies Corp.	-	-		-	-	-	-	-	-
e) Banks / FI	-	-		-	-	-	-	-	-
f) Any Other.....	-	-		-	-	-	-	-	-
Sub-total (A) (1)	**4629515**	**0**	**4629515**	**4.83**	**7283219**	**0**	**7283219**	**6.71**	**1.88**
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs Individuals	-	-		-	-	-	-	-	-
b) Other Individuals	-	-		-	-	-	-	-	-
c) Bodies Corp.	-	-		-	-	-	-	-	-
d) Banks / FI	-	-		-	-	-	-	-	-
e) Any Other.....	-	-		-	-	-	-	-	-
Sub-total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**4629515**	**0**	**4629515**	**4.83**	**7283219**	**0**	**7283219**	**6.71**	**1.88**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	500	-	500	-	-	-	-	-	-
b) Banks / FI	-	-		-	-	-	-	-	-
c) Central Govt	-	-		-	-	-	-	-	-
d) State Govt(s)	-	-		-	-	-	-	-	-
e) Venture Capital Funds	-	-		-	-	-	-	-	-
f) Insurance Companies	-	-		-	-	-	-	-	0
g) FIIs	-	-		-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-		-	-	-	-	-	0
i) Others (specify)	-	-		-	-	-	-	-	0
Sub-total (B)(1)	**500**	**0**	**500**	**0**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corp.	-	-		-	-	-	-	-	-
i) Indian	22248190	0	22248190	23.08	36562973	0	36562973	33.70	10.62
ii) Overseas	32924973	6900000	39824973	41.31	19086000	6900000	25986000	23.95	-18.14
b) Individuals	-	-		-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	10030273	293627	10323900	10.71	9719256	291624	10010880	9.23	1.48
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	18943047	36200	18979247	19.65	27885540	36200	27921740	25.74	6.09
c) Others (specify) NRI	271894	0	271894	0.28	320087	0	320087	0.30	0.02
Clearing Members	129303	0	129303	0.13	401583	0	401583	0.37	0.24
NBFC Registered	200	0	200	0	-	0	-	0	0
with RBI	0	-	0	-	-	-	-	-	-
Sub-Total (B)(2)	**84547880**	**7229827**	**91777707**	**95.17**	**93975439**	**7227824**	**101203263**	**93.29**	**-1.88**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**84548380**	**7229827**	**91778207**	**95.17**	**93975439**	**7227824**	**101203263**	**93.29**	**-1.88**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**89177895**	**7229827**	**96407722**	**100**	**101258658**	**7227824**	**108486482**	**100**	**12.52**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
	Messrs	**No. of Shares**	**% of total Shares of the company**	**% of Shares Pledged / encumbered to total shares**	**No. of Shares**	**% of total Shares of the company**	**% of Shares Pledged / encumbered to total shares**	**% change in share holding during the year**
1	Mr. V Ranganathan	1118423	1.16	0	2685666	2.48	0	1.32
2	Mr. P Bharath	1010702	1.05	0	1010702	0.93	0	-0.12
3	Mr. P Vishwamurthy	998130	1.04	0	998130	0.92	0	-0.12
4	Mr. Shridhar S Hegde	1492260	1.55	0	2578721	2.38	0	0.82
5	Ms. Preethi Bharath	10000	0.01	0	10000	0.01	0	0
	TOTAL	**4629515**	**4.81**	**0**	7283219	6.71	**0**	1.90

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	**% of total shares of the Company**	**No. of shares**	**% of total shares of the Company**
	At the beginning of the year	4629515	4.81	7283219	6.71
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment /transfer /bonus/ sweat equity etc)	- Purchase from the open market	-		
	At the End of the year	4629515	4.81	7283219	6.71

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year i.e. 1st April, 2016		Cumulative Shareholding at the end of the year i.e. 31st March, 2017	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Heshika Growth Fund	6039380	6.26	8078760	7.45
2	Auctor Investments Ltd	6039380	6.26	7628760	7.03
3	SSJ Finance & Securities Pvt. Ltd.	7943642	8.24	8811782	8.12
4	Scenic Overseas(S) Pte Ltd. Singapore	3600000	3.73	3600000	3.32
5	Leytron Technology Pte. Ltd. Singapore	3300000	3.42	3300000	3.04
6	Niraj Rajnikant Shah	2507377	2.60	2560355	2.36
7	Cimelia Resource Pte Ltd	2300000	2.39	2300000	2.12
8	Pushkar Banijya Ltd.	0	0	2239006	2.06
9	Manish Lakhi	0	0	1923720	1.77
10	Horizen Ventures Management Company Pvt Ltd	1900000	1.97	1900000	1.75

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	3618813	3.75	6272517	5.78
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc)	Purchase from the open market			
	At the End of the year	3618813	3.75	6272517	5.78

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,76,225	13,32,40,000	0	13,41,16,225
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	91,42,308	0	91,42,308
Total (i+ii+iii)	**8,76,225**	**14,23,82,308**	**0**	**14,32,58,533**
Change in Indebtedness during the financial year				
• Addition	.....	4800000	0	4800000
• Reduction	239683	0	0	239683
Net Change	**239683**	4800000	**0**	**5039683**
Indebtedness at the end of the financial year				
i) Principal Amount	636542	4800000	0	5436542
ii) Interest due but not paid	0	22133	0	22133
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**636542**	**4822133**	**0**	**5458675**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. V Ranganathan	Mr. Shridhar S Hegde	Mr. P Vishwamurthy	
1	1. Gross salary				
	a Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	24,00,000	24,00,000	24,00,000	72,00,000
	b Value of perquisites u/s 17(2) Income Tax Act, 1961	1,32,000	1,32,000	1,32,000	3,96,000
	c Profits in lieu of salary under section 17(3) Income Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				
	- as % of profit	0	0	0	0
	- others, specify	0	0	0	0
5	Others	0	0	0	0
	Total (A)	**25,32,000**	**25,32,000**	**25,32,000**	**75,96,000**
	Ceiling as per the Act	.....	.....	.....	.....

B. Remuneration to other directors: NA

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1	Independent Directors					
	• Fee for attending board / committee meetings					
	• Commission					
	• Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	• Fee for attending board / committee meetings					
	• Commission					
	• Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Company Secretary	
1	1. Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,94,960	2,94,960
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	16,560	16,560
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit	0	0
	- others, specify…	0	0
5	Others, please specify	0	0
	Total	**3,11,520**	**3,11,520**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the	Brief Companies Act	Details of Description	Authority Penalty / Punishment/ Compounding fees imposed	Appeal made, [RD / NCLT/ COURT]	if any (give Details)
A. COMPANY						
Penalty Punishment Compounding				None		
B. DIRECTORS						
Penalty Punishment Compounding				None		
C. OTHER OFFICERS IN DEFAULT						
Penalty Punishment Compounding				None		

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore

Date : 22nd June, 2017

V. Ranganathan
Managing Director
DIN: 01247305

Shridhar S Hegde
Whole Time Director
DIN : 01247342

Annexure II

Form AOC-1

(Pursuant to first proviso to sub Section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient feature of the financial statement of Subsidiaries/ Associate Companies/ Joint Ventures.

Part "A" Subsidiaries

(Information in respect of each Subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Cerebra LPO India Limited	Cerebra Middle East FZCO, Dubai
1	Reporting period (if different from the holding company's reporting period	31st March, 2017	31st March, 2017
2	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in case of foreign subsidiaries)	INR	INR
3	Share Capital	500000	1223103
4	Reserves and surplus	13,08,438	20,37,71,095
5	Total assets	7,16,82,159	36,65,83,564
6	Total Liabilities	7,06,46,215	15,64,98,269
7	Investments	Nil	Nil
8	Turnover	1,08,23,699	1,03,91,67,841
9	Profit before taxation	(29,31,708)	9,57,21,852
10	Provision for taxation	Nil	Nil
11	Profit after taxation	(29,31,708)	9,57,21,852
12	Proposed Dividend	Nil	Nil
13	% of shareholding	70	90

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore
Date : 22nd June, 2017

V. Ranganathan
Managing Director
DIN: 01247305

Shridhar S Hegde
Whole Time Director
DIN : 01247342

Annexure III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,
CEREBRA INTEGRATED TECHNOLOGIES LIMITED
BANGALORE
(CIN: L85110KA1993PLC015091)

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cerebra Integrated Technologies Limited (CIN: L85110KA1993PLC015091) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Cerebra Integrated Technologies Limited for the financial year ended on 31.03.2017 according to the provisions of following Acts/ Rules wherever applicable:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

  i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) There were no industry specific laws applicable to the Company from the list provided by the Institute of Company Secretaries of India:

(vii) The other following general laws as may be applicable to the Company, wherever applicable:

(1) Employer/Employee Related laws & Rules:

i. Industries (Development & Regulation) Act, 1951
ii. The Factories Act, 1948
iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
iv. The Apprentices Act, 1961
v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
vi. The Employees State Insurance Act, 1948
vii. The Workmen's Compensation Act, 1923
viii. The Maternity Benefits Act, 1961
ix. The Payment of Gratuity Act, 1972
x. The Payment of Bonus Act, 1965
xi. The Industrial Disputes Act, 1947
xii. The Trade Unions Act, 1926
xiii. The Payment of Wages Act, 1936
xiv. The Minimum Wages Act, 1948
xv. The Child Labour (Regulation & Abolition) Act, 1970
xvi. The Contract Labour (Regulation & Abolition) Act, 1970
xvii. The Industrial Employment (Standing Orders) Act, 1946
xviii. Equal Remuneration Act, 1976
xix. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
xx. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
xxi. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
xxii. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
xxiii. Dangerous Machines (Regulation) Act, 1983
xxiv. Indian Boilers Act, 1923
xxv. The Industrial Establishments (National and Festival Holidays) Act, 1963
xxvi. The Labour Welfare Fund Act, 1965
xxvii. The Karnataka Daily Wage Employees Welfare Act, 2012
xxviii. For majority of Central Labour Laws the State has introduced Rules [names of each of the Rules is not included here]

(2) Environment Related Acts & Rules:

i. The Environment Protection Act, 1986
ii. The Water (Prevention & Control of Pollution) Act, 1974
iii. The Water (Prevention & Control of Pollution) Cess Act, 1977
iv. The Air (Prevention & Control of Pollution) Act, 1981
v. The Government Order Under Environment (Protection) Act, 1986
vi. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
vii. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

3) Economic/Commercial Laws & Rules:

i. The Competition Act, 2002
ii. The Indian Contract Act, 1872
iii. The Sales of Goods Act, 1930

iv. The Forward Contracts (Regulation) Act, 1952

v. The Indian Stamp Act, 1899

vi. The Transfer of Property Act, 1882

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS - 2.

I further state that during the period under review and based on my verification of the records maintained by the Company and also on the review of compliance reports/statements by respective department heads/Chief Financial Officer/ Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable labour laws, environmental laws and other applicable laws as mentioned above. Certain non material findings made during the course of the audit relating to the provisions of Companies Act, Labour Laws and Secretarial Standards. Following observations have been brought before the shareholders which are treated as material in nature:

a) The RBI had not issued the approval letter for the FCGPRs filed by the Company. However, the Company had confirmed that there were some queries from RBI and the same were suitably addressed by the Company and this is being followed up with RBI.

b) There were some instances of non compliances of the provisions of Section 185 of the Companies Act, 2013 with regard to providing loan/advance facility to its subsidiary.

c) The ECB returns which were filed with regard to the FCCBs availed by the Company seems to be wrongly filed.

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/Internal Auditor as the case may be.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Bangalore
Date : 22nd June, 2017

Parameshwar G. Bhat
FCS No.: 8860
C P No.: 11004

Note: This report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

'Annexure'

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise Act, Customs Act, Central and State Sales Tax Act.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place : Bangalore
Date : 22nd June, 2017

Parameshwar G. Bhat
FCS No.: 8860
C P No.: 11004

Annexure IV

RATIO OF REMUNERATION

(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	2:1
(ii)	the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	1. Mr. V Ranganathan-Managing Director-100% 2. Mr. Shridhar S Hegde-Whole Time Director and CFO-100% 3. Mr. P Vishwamurthy- Whole Time Director -100% 4. Ms. Nutan Soudagar-Company Secretary-14.87%
(iii)	the percentage increase in the median remuneration of employees in the financial year;	2.64%
(iv)	the number of permanent employees on the rolls of company;	As on 31st March, 2017 64 members
(v)	the explanation on the relationship between average increase in remuneration and company performance;	Increased in remuneration is based on the industrial standard and experience of each employees
(vi)	comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Remuneration paid to Key Managerial person is based on Remuneration Policy of the Company
(vii)	variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	There is no material variation in the share price
(viii)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	This is as per the companies increment guideline
(ix)	comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	This is as per the companies increment guideline
(x)	the key parameters for any variable component of remuneration availed by the directors;	Not Applicable
(xi)	the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Not Applicable
(xii)	affirmation that the remuneration is as per the remuneration policy of the company.	Yes

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore

Date : 22nd June, 2017

V. Ranganathan
Managing Director
DIN: 01247305

Shridhar S Hegde
Whole Time Director
DIN : 01247342

Annexure V

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis:

NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

SL. N0.	PARTICULARS	DETAILS
(a)	Name(s) of the related party and nature of relationship	Cerebra LPO India Limited
(b)	Nature of contracts/arrangements/transactions	Sharing the part of the Registered Office premises of the Company
(c)	Duration of the contracts/arrangements/ transactions	NA
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Rs. 15,000/- pm
(e)	Date(s) of approval by the Board, if any:	13th August, 2016
(f)	Amount paid as advances, if any:	Nil

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore

Date : 22nd June, 2017

V. Ranganathan
Managing Director
DIN: 01247305

Shridhar S Hegde
Whole Time Director
DIN : 01247342

ANNEXURE VI

ANNEXURE TO THE BOARD'S REPORT
REPORT ON CORPORATE GOVERNANCE
MANDATORY REQUIREMENTS

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE.

As reported in the last Annual Report, your Company has implemented and complied with the Corporate Governance Code recommended by the Securities and Exchange Board of India (SEBI). Your Company shall always be managed with the principles of Good Corporate Governance with a view to enhance overall Shareholder value and to run the business effectively to achieve its corporate objectives.

2. BOARD OF DIRECTORS:

The Company currently has 7 (Seven) Directors, including three Non-Executive and Independent Directors.

After due circulation of agenda and notes thereon, the Board of Directors has met at reasonable periods of intervals to transact business on various Board's functions, responsibilities and accountabilities. Compliances of various Laws and Regulations along with the Corporate Philosophy, goal, plans and strategies have been dwelt at length by the Board at its various proceedings.

The details of the Directors' attendance at the Meetings of the Board of your Company during the financial year ended 31st March, 2017 are given below:

Sl. No.	Name	DIN	Category	Designation	No. of Board Meetings attended	No. of Directorship in other Companies incorporated in India	No. of Committee memberships in other Companies incorporated in India	Attended last AGM
1.	Mr. V Ranganathan	01247305	Executive Director (Promoter Group)	Managing Director	6	2	-	Yes
2.	Mr. Shridhar S Hegde	01247342	Executive Director (Promoter Group)	Whole Time Director	6	1	-	Yes
3.	Mr. P Vishwamurthy	01247336	Executive Director (Promoter Group)	Whole Time Director	6	1	-	Yes
4.	Ms. Preethi Javali	07157145	Non-Executive Director	Non Executive Director	6	-	-	Yes
5	Mr. Suresh Kumar TS	00674759	Non-Executive and Independent Director	Independent Director	6	7	-	Yes
6	Mr. PE Krishnan	01897686	Non-Executive and Independent Director	Independent Director	6	2	-	Yes
7	Mr. S Gopalakrishnan	01898255	Non-Executive and Independent Director	Independent Director	6	-	-	Yes

DETAILS OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings.

The Board Directors duly met Six (6) times during the year on 30th May 2016, 13th August 2016, 3rd November 2016, 23rd November 2016, 23rd January 2017 and 27th March 2017.

None of the Non-executive Directors has any material pecuniary relationship or transactions with the Company.

3. AUDIT COMMITTEE:

The Audit Committee is responsible for over view of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment and removal of the statutory and internal auditors, fixation of audit fees, the approval for payment for any other services and reviewing with the management the annual financial statements before submission to the Board.

The Committee also meets the management team and reviews the operations, new initiatives and performance of the business units. The minutes of the Audit Committee are circulated to the Board, discussed and taken note of.

The Audit Committee is comprised of the following Directors:

1. Mr. S. Gopalakrishnan - Chairman
2. Mr. T.S. Suresh Kumar - Member
3. Mr. P.E. Krishnan - Member

The Audit Committee met 4 (Four) times during the year on 30th May 2016, 13th August 2016, 3rd November 2016 and 23rd January 2017.

The details of attendance of the Meetings of the Audit Committee are as follows:

Sl. No.	Name	No. of Meetings attended during the year
1.	Mr. S. Gopalakrishnan	4
2.	Mr. T.S. Suresh Kumar	4
3.	Mr. P.E. Krishnan	4

The Audit Committee reviewed the financial results, accounting and financial controls as well as policies and practices as also internal control and internal audit systems.

4. NOMINATION AND REMUNERATION COMMITTEE:

The functions of Nomination and Remuneration Committee are as follows:

- Formulation of criteria for persons to become Director and to senior management positions including KMPs and recommending to the Board for their appointments and removal.
- Continuous review and evaluation of the performance of the Board members.
- Broadly oversee the Administrative and Executive compensation programme.
- Any other functions as may be mandated by the Board or any Statutes or enactment.

Remuneration of employees largely consists of base remuneration, perquisites and performance incentives.

The Nomination and Remuneration Committee consists of the following Directors:

1. Mr. S. Gopalakrishnan - Chairman
2. Mr. T.S Suresh Kumar - Member
3. Mr. P.E. Krishnan - Member

The Committee met 1 (One) time during the year on 23rd January 2017.

Sl. No.	Name	No. of Meetings attended during the year
1.	Mr. S. Gopalakrishnan	1
2.	Mr. T.S. Suresh Kumar	1
3.	Mr. P.E. Krishnan	1

Details of remuneration of all Directors:

Sl. No.	Name	Designation	Salary (in Rs)	Sitting fee*
Executive/Whole Time Directors				
1.	Mr. V Ranganathan	Managing Director	25,32,000	NIL
2.	Mr. Shridhar S Hegde	Whole Time Director	25,32,000	NIL
3.	Mr. P Viswamurthy	Whole Time Director	25,32,000	NIL
Non Executive and Independent Directors				
4.	Mr. Suresh Kumar TS	Independent Director	Nil	NIL
5.	Mr. PE Krishnan	Independent Director	Nil	NIL
6.	Mr. S Gopalakrishnan	Independent Director	Nil	NIL
7.	Ms Preethi Javali	Non-Executive Director	Nil	NIL

Note: No sitting fee was paid to the Directors.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

The functions of Stakeholders' Relationship Committee are as follows:

- To look into the Shareholders complaints, if any and to redress the same expeditiously.
- To approve the request for issue of duplicate share certificates and issue of certificates after split/consolidation.

The Stakeholders' Relationship Committee consists of the following:

1. Mr. S. Gopalakrishnan - Chairman
2. Mr. TS Suresh Kumar - Member
3. Mr. P.E. Krishnan - Member

The Sub-Committee duly appointed by the aforesaid Committee met continuously to address the various issues relating to the investors, including non-receipt of Annual Reports, Dividend related issues, Change of addresses, transfers of shares, dematerialization and other related aspects. The Company has also continuously requisitioned the services of an independent Practising Company Secretary to review the procedures followed by the RTA. No major grievance of any investor was pending as on 31st March, 2017.

Ms. Nutan Soudagar, Company Secretary, is the Compliance Officer of the Company.

6. INDEPENDENT DIRECTORS' MEETING:

During the year under review, the Independent Directors met on 23rd January, 2017, *inter alia*, to discuss:

- Evaluation of the performance of the Non-Independent Directors and the Board as a whole
- Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive and Non-Executive Directors
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties

All the Independent Directors viz., Mr. S. Gopalakrishnan, Mr. T.S. Suresh Kumar and Mr. P.E. Krishnan were present at the Meeting.

The Company had also further during the year, conducted Familiarisation programme for Independent Directors of the Company and the details of such familiarisation programmes are disseminated on the website of the Company at http://www.cerebracomputers.com/governance.htm.

7. CRITERIA FOR MAKING PAYMENTS TO NON- EXECUTIVE DIRECTORS:

The Company has laid down the criteria for making payments to the Non- Executive Directors. The details of such criteria are available on the website of the Company at http://www.cerebracomputers.com/governance.htm.

8. PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance and its Committee's and the Directors individually. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance etc.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board/Committees, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Corporate Secretarial Department. The Board was satisfied with the evaluations results which reflected the overall engagement and effectiveness of the Board and its Committees.

9. COMPLIANCE OFFICER AND ADDRESS FOR CORRESPONDENCE:

Mrs. Nutan Soudagar, Company Secretary
Cerebra Integrated Technologies Limited
S5, Off 3rd Cross, Peenya Industrial Area
Peenya I Stage, Bangalore -560 058
Tel.: 080-22046969
Fax: 080-22046980
Email: nutan@cerebracomputers.com
Website: www.cerebracomputers.com

10. DETAILS OF ANNUAL GENERAL MEETING (AGM):

Year	Date	Time	Location
2013-14	29th September, 2014	10:00 AM	Corporate Office of the Company at 26/4, 'A' Block, 4th Floor, Industrial Suburb, Sandal Soap Factory Metro Station, Rajajinagar, Bangalore-560 055
2014-15	29th September, 2015	10:00 AM	Corporate Office of the Company at 26/4, 'A' Block, 4th Floor, Industrial Suburb, Sandal Soap Factory Metro Station, Rajajinagar, Bangalore-560 055
2015-16	16th September, 2016	11:00 AM	Bharatiya Vidya Bhavan, Race Course Road, Bangalore-560 001

Particulars of Special Resolutions passed in the last three AGMs are given below:

29.09.2014	1. Appointment of Mr. T. S. Suresh Kumar as an Independent Director.
	2. Appointment of Mr. S. Gopalakrishnan as an Independent Director.
	3. Issue of Global Depository Receipts (GDRs) /American Depository Receipts (ADRs) / Foreign Currency Convertible Bonds (FCCBs) / Equity Shares / Warrants and / or Instruments Convertible into Equity Shares For an Aggregate sum up to US$ 16 Million Approximately Rupees 96 Crores).
	4. Increase in Authorized Capital.

	5. Alteration of Memorandum of Association of the Company 6. Alteration of Articles of Association of the Company
29.09.2015	1. Appointment of Ms. Preethi Javali as a Director. 2. Appointment of Mr. P E Krishnan as an Independent Director. 3. Disinvestment by the Company as per Companies Act, 2013 and Clause 49 of the Listing Agreement.
16.09.2016	1. Re-appointment of Mr. V Ranganathan as Managing Director and ratification of remuneration. 2. Re-appointment of Mr. Shridhar S Hegde as Whole Time Director and ratification of remuneration. 3. Re-appointment of Mr. P Vishwamurthy as Whole Time Director and ratification of remuneration.

There are 6 (Six) items which are required to be passed as Special Resolutions at the ensuing Annual General Meeting (AGM) to be held on 21st August, 2017.

Particulars of Special Resolutions passed in the Extra Ordinary General Meeting (EGM) are given below:

28.04.2017	1. Increase the Authorized Capital of the Company 2. Alteration of the Memorandum of Association of the Company 3. Issuance of 1,19,00,000 Equity Shares on preferential basis to Strategic Investor, Kuber Global Fund, a company incorporated in the Republic of Mauritius. 4. Issuance of 53,00,000 Warrants convertible into Equity Shares on preferential basis to certain Promoters

11. MEANS OF COMMUNICATION:

Quarterly/half yearly/annual financial results are forwarded to the Stock Exchanges, Published in Financial Express English and E Sanje Kannada News papers. The Company's financial results and shareholding pattern are also displayed in the Company's website. The Company does not make any representations to the Institutional investors or to the Analysts.

12. DISCLOSURES:

SUBSIDIARY COMPANIES:

The Company has following Subsidiaries:

a) Cerebra LPO India Limited

b) Cerebra Middle East FZCO, Dubai

c) Cerebra E Waste Recovery PTE Limited, Singapore*

*Upon Striking off, ceased to be a Subsidiary Company with effect from 6th June, 2016.

The financials of the Subsidiary Companies have been duly reviewed by the Audit Committee and the Board of the Holding Company. The Board minutes of the Unlisted Subsidiary Companies have been placed before the Board of the Holding Company. The Holding Company's Board is also periodically informed about all significant transactions and arrangements entered into by the Subsidiary Companies. The Company has also formulated a Policy for determining the Material Subsidiary and the details of such policies as approved by the Board are disseminated in the website of the Company.

13. RELATED PARTY TRANSACTIONS:

There were Related Party Transactions during the financial year. It has been disclosed in Annexure V.

14 CODE OF CONDUCT:

The Company has adopted Code of Conduct which has been implemented. The Code of Conduct is made applicable to the Directors and Senior Management Team. The Code of Conduct is available on the website of the Company at url http://www.cerebra computers.com/governance.htm. Requisite annual affirmations of compliance with respective codes have been made by the Directors and Senior Management of the Company for the period 1st April 2016 to 31st March, 2017.

The Certificate by the CEO of the Company concerning compliance with the Code of Conduct for Directors and Senior Management is given below:

Code of Conduct for Directors and Senior Management

CEO Confirmation

I hereby confirm that:

The Company has obtained from the Directors and Senior Management personnel affirmation that they have complied with the above code for, and in respect of, the year ended March 31, 2017.

Place : Bangalore
Date : 22.06.2017

V. Ranganathan
Managing Director
DIN: 01247305

15. REPORTING OF INTERNAL AUDITOR:

The Internal Auditor duly appointed, reports to the Audit Committee.

16. CEO AND CFO CERTIFICATION:

The Managing Director and the CFO of the Company have certified to the Board of Directors, *inter alia*, the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under the SEBI Regulations, for the period ended 31st March, 2017.

17. COMPLIANCES:

There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

18. GENERAL SHAREHOLDERS' INFORMATION:

The following information would be useful to the Shareholders:

1. Annual General Meeting Date and Time: At 10:30 AM, 21st August, 2017
2. Financial Year: 1st April, 2016 to 31st March, 2017
3. Book Closure Date: 21st August, 2017
4. Listing on Stock Exchange at:
   a. BSE Limited
   b. National Stock Exchange of India Limited (NSE)

19. DEPOSITORIES:

National Securities Depository Limited

Central Depository Services India Limited

Stock Code: BSE - 532413

NSE: Cerebraint

Demat arrangement with NSDL and CDSL: INE345B01019.

20. REGISTRARS AND SHARE TRANSFER AGENTS:

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot number 31 & 32
Financial District, Nanakramguda, Serilingampally Mandal
Hyderabad-500 032 India
Phone: 040 - 91 40-67161564 Fax 9140-23420814
Email: shobha.anand@karvy.com

21. STOCK MARKET DATA:

BSE Limited

Scrip Code: 532413

Company: CEREBRA INT

(In Rs)

Month	Open Price	High Price	Low Price	Close Price
Apr-16	16.15	23.50	15.80	22.50
May-16	22.75	23.00	12.85	14.25
Jun-16	14.28	15.15	12.32	13.69
Jul-16	13.70	15.45	12.71	12.81
Aug-16	13.00	15.00	11.79	13.44
Sep-16	13.55	17.45	12.45	16.42
Oct-16	17.20	24.60	16.45	24.30
Nov-16	24.70	26.75	15.75	21.00
Dec-16	21.00	24.70	18.00	23.00
Jan-17	23.35	41.30	23.35	37.95
Feb-17	36.15	40.15	34.55	39.65
Mar-17	40.85	42.80	37.40	38.90

National Stock Exchange of India Limited, (NSE)

CEREBRAINT

(In Rs)

Month	Open Price	High Price	Low Price	Close Price
Apr-16	21.45	22.50	20.50	22.35
May-16	13.75	14.60	13.20	14.30
Jun-16	13.50	13.65	13.35	13.60
Jul-16	13.00	13.00	12.75	12.75
Aug-16	13.60	14.00	13.30	13.50
Sep-16	15.50	16.90	15.50	16.30
Oct-16	24.20	24.60	24.05	24.45
Nov-16	20.55	21.20	20.50	21.00
Dec-16	23.00	23.40	22.85	23.00
Jan-17	38.00	39.50	37.75	37.80
Feb-17	39.50	40.20	38.00	39.70
Mar-17	38.75	39.00	37.50	38.75

22. SHARE TRANSFER SYSTEM:

The Company in consultation with the RTA ensures that the transfers of shares in physical form and dematerialization take place well within the time limits.

23. Distribution of Shareholding as at 31st March, 2017:

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
0-5000	7,603	69.46	1321034	13210340	1.22
5001 - 10000	1,146	10.47	994925	9949250	0.92
10001 - 20000	687	6.28	1131223	11312230	1.04
20001 - 30000	312	2.85	832889	8328890	0.77
30001 - 40000	138	1.26	508749	5087490	0.47
40001 - 50000	212	1.94	1027131	10271310	0.95
50001 - 100000	289	2.64	2304087	23040870	2.12
100001 & Above	559	5.11	100366444	1003664440	92.52
TOTAL	10,946	100	108486482	1084864820	100

24. Categories of Shareholding as at 31st March, 2017:

Category	No. of shares held	% of holding
Promoters Holding:		
i. Indian Promoters	7283219	6.71
ii. Foreign Promoters	-	-
Sub Total	**7283219**	**6.71**
Non-Promoters Holding:		
i. Mutual Fund and UTI		
ii. Banks, Financial Institutions and Insurance companies	851419	0.78
iii. Bodies Corporate		
a. Indian	36562973	33.70
b. Foreign	15707520	14.48
iv. Indian Public	37932620	34.97
v. NRIs/OCBs	320087	0.30
vi. Foreign Collaborators	9200000	8.48
vi. Others - Clearing Members	401583	0.37
Sub Total	**101203263**	**93.29**
Grand Total	**108486482**	**100**

Dematerialization of shares and liquidity as at 31st March, 2017:

Control Report as on 31st March, 2017

Description	No of Holders	Shares	% To Equity
PHYSICAL	1570	7227824	6.66
NSDL	5901	59492975	54.84
CDSL	3475	41765683	38.50
Total:	**10946**	**108486482**	**100**

Comparative position as on 31st March, 2017:

Description	No of Holders	Shares	% To Equity
PHYSICAL	1570	7227824	6.66
ELECTRONIC FORM	9376	101258658	93.34
Total:	**10946**	**108486482**	**100**

24. Number of days taken for dematerialization:

Fifteen (15) days from the date of Physical documents received.

Dematerialization request from 1st April, 2016 to 31st March, 2017:

Sl. No	Depositories	No. of Cases	No. of Shares	% of Shares
1.	NSDL	10	12079363	11.13
2.	CDSL	9	1400	0.00

25. Postal Ballot:

No Resolution was passed during the year attracting Postal Ballot and no Resolution attracting Postal Ballot is recommended at this Meeting.

26. Management Discussion and Analysis:

The Management Discussion and Analysis is attached to the Board's Report and is a part of this Annual Report.

27. Details of compliance with mandatory requirements:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Corporate Governance Report of the Company for the financial year 2016-17 is in compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

28. Adoption of the Non-Mandatory Requirements:

i. Nomination and Remuneration Committee has duly been constituted.

ii. The Company consistently trains its Board members, on an on-going basis, in the business model of the Company as well as the risk profile of the business parameters of the Company, their responsibilities as Directors, and the best ways to discharge them.

iii. The Company has a procedure of bringing to the notice of management, any matter/s regarding concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct or ethics policy.

- Independent Directors of the Company have the option and freedom to meet Company Management regularly. They are provided with all information sought by them to perform their duty effectively and efficiently.
- Audit Committee has duly been constituted, and its scope and functions has already detailed elsewhere in this report.
- Matters referred to Audit Committee, as detailed elsewhere in the report include, inter alia, recommendation to Board, on appointment of Statutory, Internal and Cost Auditor/s.
- Reconciliation of Share Capital Audit Report is conducted every financial quarter and placed before the Audit Committee and the Board for review.

29. Auditors' Certification on Corporate Governance:

Compliance certificate from the auditors regarding compliance of conditions of corporate governance is attached is attached to the Board's Report and is a part of this Annual Report.

30. Plant Locations:

S5, Off 3rd Cross, Peenya Industrial Area
Peenya I Stage, Bangalore-560 058
Phone: 080-28370282/84

E-WASTE RECYCLING UNIT

Plot Nos. 41 to 46, KIADB Industrial Area
Narasapura, Appasandra Village
Narasapura Hobli
Kolar District.

31. Address for correspondence:

Cerebra Integrated Technologies Limited
S5, Off 3rd Cross, Peenya Industrial Area
Peenya I Stage, Bangalore -560 058
Tel.: 080-22046969
Fax. : 080-22046980
Email: investors@cerebracomputers.com
Website: www.cerebracomputers.com

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore
Date : 22.06.2017

V. Ranganathan
Managing Director
DIN: 01247305

Shridhar S Hegde
Whole Time Director
DIN : 01247342

Annexure VII

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

E-WASTE RECYCLING FACILITY:

The new plant to process 36000 tons per annum capacity was inaugurated on the 7th February, 2017 by the Honourable Minister of Karnataka for Large & Medium Industries Shri R V Deshpande.

The new plant is running trial productions and will be open for commercial production in the new financial year 2017-18.

RECRUITMENT:

Your Company has enhanced its head count in all its verticals.

CEREBRA MIDDLE EAST FZCO:

Cerebra Middle East has seen an encouraging growth in financial year 2016-17 both in terms of a 16.9% increase in revenue as well as an expansion of its channel partner base in the Middle East. CME closed the year with a revenue of USD 16.20 Million as against USD 13.45 Million last year with a Net Profit Ratio of 10.74%. Being focused on profitability and market expansion, the last year saw an increase in channel partner to about 140 partners though UAE, Kuwait, Qatar, Saudi Arabia, Oman, Egypt, Central & Eastern Africa. CME also increased its vendor portfolio by on boarding market leaders like Rassilient and Promise into its Surveillance Security product portfolio along with Actifio in its ICT portfolio. The Security Solutions division launched 3 years ago is now rolling out best in class solutions in the Surveillance Security domain through the region.

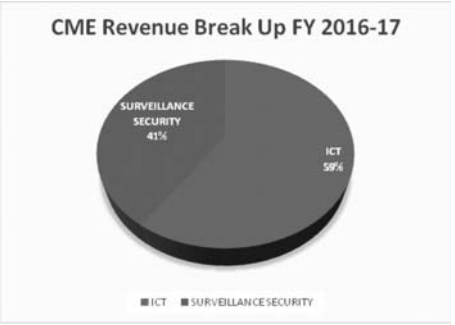
During the previous financial year, CME not only increasing their footprint in the Middle Eastern markets but also put forward their first steps into developing markets like Africa. Your Company also got some prestigious orders from Enterprise customers like Qatar Petroleum, Meraas Holding, Abu Dhabi Commercial Bank, National Bank of Abu Dhabi, Abu Dhabi Police, Dubai Mall, Burj Khalifa, Abu Dhabi Commercial Bank, Sharjah Islamic Bank etc. through CME's established Enterprise channel. CME's focus area for the financial year 2016-17 are going to be channel growth, channel enablement, loyalty programs and a substantial increase in its vendor and solutions portfolio. There will be a special focus on the Surveillance Security and Services business. The year will see an increase in CME's industry specific portfolio coverage with storage, infrastructure and security solutions for the Oil and Gas, Banking, Healthcare, Telco, Media, Education, Retail and Hospitality verticals.

OPPORTUNITIES AND THREATS:

OPPORTUNITIES

- Surveillance Security Market showing year on year growth.
- Distribution portfolio expanded to developing markets like Africa etc.

- Vendor portfolio expansion on ICT, Networking and CCTV
- Distribution Market shifting from Volume Distribution to Value Distribution
- Smart City initiatives in several countries in Middle East.
- Infrastructure Development in UAE for EXPO 2020
- Infrastructure Development in Qatar for FIFA World Cup 2022



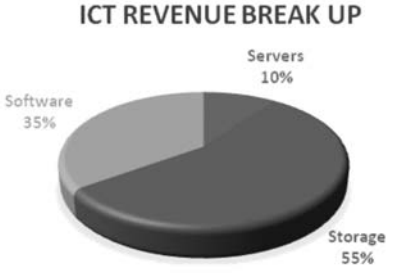
THREATS

- Oil & Gas Sector in recession
- Adverse cash flow situation affecting Infrastructure Development
- Liquidity crunch in Banks
- Extended Credit requirements from channel partners.
- Security concerns in the Middle East
- GCC stance on Qatar

SEGMENT WISE PERFORMANCE

The Surveillance Security Solutions division (SSSD) at Cerebra ME grew tremendously as compared to ICT Division (ICTD) during the financial year 2016-17.

The ICT business comprised of about approximately 60% of CME's Annual revenue as compared to 40% of the Surveillance Security business in FY 2016-17. However, the Surveillance Security business almost 100% year on year growth as compared to FY 15-16. The main reasons for this growth were an increasing demand in Security solutions in the Middle East Market along with an increase in CME's Surveillance Security vendor portfolio. The ICT sales had a growth in non hardware business with Softwares and Services comprising of nearly 45%of the total revenue.



The Video Management Software vendor, Milestone, outperformed all other business lines in the SSS Division. Further, it was extremely encouraging during the financial year 2016-17 in both business lines that the services comprised of over 10% of the total revenue, true to Cerebra ME's market reputation of being a "value added distributor".

OUTLOOK:

1. Market Outlook: The Middle East market had a modest growth in the financial year . Cerebra ME's strategy for the current financial year would be focused on market consolidation along with a greater territorial coverage. CME plans to increase its channel partner network by at least 25% this year focusing on newer markets, including Africa, to counter the slow growth in market spend throughout the region.
2. Financial Outlook: The financial liquidity crisis prevalent in the Middle East has led to lot of project delays, credit defaults, business closures and lack of financing, thus affecting IT and infrastructure spend. Cerebra ME plans to focus more on profitability this year rather than Revenue growth. Revenue consolidation will be the key along with greater focus on profitable business lines and services.
3. Product Outlook: Security concerns continue to be on top priority for most Governments around the world and more so the Middle East. Cerebra ME will be enhancing its product portfolio in financial year 17-18 in the SSS Division and is already in advanced stage of discussions with another CCTV vendor and a Networking vendor. There will be greater focus on software sales along with value added services.
4. Resource Outlook: Cerebra ME plans to invest in entry level sales resources and qualified technical resources in the current financial year. Sales expansions are primarily for lead generation in order to widen reseller breadth and technical additions would focus more on the profitable services avenues.

RISKS AND CONCERNS:

- Extending credit to channel partners in current market conditions
- Volatile market conditions
- Reduction in market spend
- Security concerns in Middle East markets
- Restricted finance offerings by FIs to SME segment
- Increasing financial defaults in the region
- Additional investment on resources for lesser known markets
- Oil and Gas sector under performing
- Limited market spend by vendors
- Demand for greater credit periods buy resellers affecting Distributor loyalty
- Low margin deals to retain customers

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

This is applicable more for publicly listed companies. Cerebra ME, even though being a Subsidiary of Cerebra Integrated Technologies Limited, is a free zone entity in the UAE and is not subject to any such compliance.

However, the organization maintains environments that encourage incorruptibility and deter fraudulent activities by management and employees. Cerebra ME's components of internal control are evaluated during its independent financial audit and the results of the evaluation directly influence a proper internal control system.

- Management Integrity: Management integrity, or the moral character of persons of authority, sets the overall tone for the organization. Cerebra ME's Management integrity is communicated to employees through the CME Staff Handbook and procedural manuals. The CME Management believes that in addition to communicating management

integrity, policy manuals facilitate training to employees. CME management's enforcement of policies is the major indicator of an CME's commitment to a successful internal control system.

- Competent Personnel: Cerebra ME's ability to recruit and retain competent personnel indicates management's intent to properly record accounting transactions. The present accountant has was the first employee and has been retained since inception of CME is UAE. In addition to the retention of employees,CME increases the comparability of financial records from year to year. Furthermore, our auditor, Ethics Plus, observes the reliability of the organization's personnel and hence reduces the risk of a material misstatement in the entity's financial statements.
- Segregation of Duties: Cerebra ME notes that a segregation of duties is critical to effective internal control because it reduces the risk of mistakes and inappropriate actions. CME's effective system of internal control separates authoritative, accounting and custodial functions.
- Records Maintenance: Cerebra ME believes that maintaining appropriate records ensures that proper documentation exists for each business transaction. Records management involves storing, safeguarding and eventually destroying tangible or electronic records. CME's back-up policy deters an employee or management from creating phantom transactions in the underlying accounting records. We strongly emphasize that a good records management program reduces operating costs, improves efficiency and minimizes the risk of litigation.
- Safeguards: Cerebra ME prevents unauthorized personnel from accessing valuable company assets. Safeguards are physical, such as locks on doors, or intangible, such as computer software passwords. CME believes that regardless of the methods, safeguards are a necessary feature of an organization's internal control system. CME safeguards blank cheques, company letterhead and signature stamps.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

FINANCIAL PERFORMANCE:

- Target vs Achievement: Over achieved target of USD 15 Million.
- Profitability: Net profit increase from 5.4% to 10.74 with no additional overheads.
- Overheads: Operational cost to company reduced by 12% in FY 16-17.
- Performance Initiatives: Incentives of sales personnel increased in FY16-17.
- Cost Control: No additional investment in operational costs with with regards to real estate etc.

OPERATIONAL PERFORMANCE:

- Policy deployment: CME deployed corporate and stakeholders' objectives throughout the organization.
- Competitive Scenario: CME defined key competitive factors and alienedthe business and the business units within its competitive environment.
- Process orientation: Focused on key business processes to manage business performance.
- Active monitoring: CME uses proactive performance measures rather than reactive measures in its periodical business reviews.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES:

Cerebra ME does not believe in employing people but believes in building and adding members to the CME team. The team development activities in FY 16-17 are as follows:

- Training: Enabling Sales, Pre-Sales and Post Sales personnel on knowledge and technology
- Policies and procedures: CME emphasizes on optimizes on employee productivity, and reduces lack of efficiency that can cost the company time and money. Clear communication is emphasized for maintaining effectiveness in the workplace. CME's procedures ensure clarity and precision, whilst maintaining accessibility
- Communication: CME Management has an open door policy with ease of accessibility to reporting authorities
- Clear definition and accessibility to Employee handbooks and forms
- Clearly defined Job descriptions

Cerebra Middle East understands its Internal and External objectives and is aiming to be the No.1 Value Added Distributor for ICT and Security solutions in the region by the year 2020.

Certification by CEO (Managing Director)

We, V. Ranganathan, Managing Director and Shridhar S Hegde, Whole Time Director and Chief Financial Officer of Cerebra Integrated Technologies Limited, certify that;

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
   a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
   b. These statements give a true and fair view of the state of affairs of the Company and the results of operations and cash flows. These statements have been prepared in conformity in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by
   a. The Company during the year, which are fraudulent, illegal and violative of the Company's code of conduct.
3. We accept overall responsibility for the Company's internal control system for financial reporting. The Auditors and Audit Committee are appraised of any corrective action taken with regard to significant deficiencies and material weakness.
4. We indicate to the Auditors and Audit Committee
   a. Any significant changes in internal control over financial reporting during the year.
   b. Significant changes in accounting policies during the year.
   c. Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting. However, during the year there were no such instances.

Place : Bangalore
Date : 22.06.2017

Shridhar S Hegde
Whole Time Director and
Chief Financial Officer
DIN: 01247342

V Ranganathan
Managing Director
DIN: 01247305

CERTIFICATE

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS REQUIRED UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Members

Cerebra Integrated Technologies Limited

Bangalore

I have examined all the relevant records of Cerebra Integrated Technologies Limited ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company for the financial year ended 31st March, 2017 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Bangalore
Date : 22.06.2017

Vijayakrishna K T
Practising Company Secretary
FCS.: 1788
CP.: 980

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CEREBRA INTEGRATED TECHNOLOGIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Cerebra Integrated Technologies Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that shall give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding of the assets of the Company and preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement , whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Director's as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017 and its profits and its cash flows for the year ended on that date.

Emphasis of matter

Without qualifying our report, we draw attention to note 27.11, 27.12 and 27.13 of the standalone financial statements relating to capital advances amounting to Rs. 37,24,80,412/- and trade receivables amounting to Rs. 19,45,44,167/- which are outstanding for more than three years. This raises question regarding recoverability of these dues. The Management is confident of recovering the same either in cash or in kind and hence no provision is made in the accounts.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (CARO 2016 or "the Order) issued by the Central Government of India in terms of subsection (11) of section 143 of the Act, and on the basis of such checks of the

books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with books of account;

   d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. On the basis of the written representations received from the directors as on March 31st, 2017, taken on record by the Board of Directors, none of the directors are disqualified as on March 31st, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in Annexure B, and

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 2 (18) of Notes to the financial statements;

      ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contacts including pending derivative contracts wherever applicable;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

For Ishwar & Gopal,
Chartered Accountants,
Registration No: 001154S

K.V Gopalakrishnayya
Partner
Membership no: 21748

Place : Bangalore
Date : 29.05.2017

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2017, we report that:

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

b. The fixed assets of the Company have been verified by the management during the year. No material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its business;

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.

ii. a Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification was reasonable.

b. The discrepancies between the physical stocks and the book records, where applicable, as noticed on physical verification were not material and have been properly dealt with in the books of account;

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has given interest free unsecured advances to two parties covered in the register maintained under section 189 of the Companies Act, 2013 amounting to Rs. 8,88,61,943/-.

a. According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that these advances are prima facie prejudicial to the interest of the Company as the same are interest free in nature.

b. We have been informed that there is schedule for repayment is not finalized and hence we are unable to express an opinion as to whether the receipt of principal are regular.

c. As schedule for repayment is not finalized we are unable to comment as to whether there are over dues outstanding for more than ninety days.

iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the advance of Rs. 8,88,61,943/- to subsidiaries are in violation of provisions of section 185 of the Companies Act, 2013.

v. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits and hence the requirement of clause 3 (v) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.

vi. We have been informed that maintenance of books of accounts pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for maintenance of Cost records in respect of products of the Company are not applicable to the Company for the year under review and hence the requirement of clause 3 (vi) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.

vii. a. The Company has been generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable in arrears as at March 31, 2017 for a period of more than six months from the date they became payable except as detailed hereunder.

Name of the statute	Nature of due	Amounts in INR	Period to which it relates	Due dates	Date of payment
Income Tax Act, 1961	Income tax	8,99,914	2001-02	Various dates	Not paid as on the date of this report
Central Excise Act, 1944	Excise Duty	28,09,259	2002-03	Various dates	Not paid as on the date of this report

c. According to the information and explanation given to us, there are no disputed amounts of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited with the relevant authorities on account of any dispute

viii. The Company has not defaulted in repayment of dues to banks. The Company does not have any loans or borrowings from any financial institution, Government or Debenture holders during the year.

ix. In our opinion and according to the information and explanations given to us, during the year the Company did not raise any money by way of initial public offer, or further public offer (including debt instruments) or term loans. Accordingly, clause 3 (ix) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.

x. According to the information and explanations given to us, no material frauds by the Company or on the Company by its officers and employees have been noticed or reported during the course of the audit.

xi. According to the information and explanations given to us and based on our examination of records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.

xii. In our opinion and according to the information and explanation given to us, the Company is not a nidhi Company. Accordingly, clause 3 (xii) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.

xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly paid debentures during the year.

xv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.

xvi. According to the information and explanation given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Ishwar & Gopal,
Chartered Accountants,
Registration No: 001154S

K.V Gopalakrishnayya
Partner
Membership no: 21748
Place : Bangalore
Date : 29.05.2017

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Cerebra Integrated Technologies Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to

the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Adverse Opinion

According to the information and explanation given to us and based on our audit, the following material weakness has been identified as at 31st March 2017.

According to the information and explanations given to us and based on our audit of the Company's internal financial control over advance payment for purchase of fixed assets, customer acceptance, credit evaluation and establishing customer credit limit for sales, were not operating effectively which could potentially result in recognizing revenue/ non provision for bad debts without establishing reasonable certainty of ultimate collection.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, because of the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017, standalone financial statements of the Company, and the same is reported under emphasis of matters in our audit report of even date.

For Ishwar & Gopal,
Chartered Accountants,
Registration No: 001154S

K.V Gopalakrishnayya
Partner
Membership no: 21748

Place : Bangalore
Date : 29.05.2017

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

BALANCE SHEET AS AT 31st March 2017

Amounts in INR

Particulars	Note No.	As at 31-March-2017		As at 31-March-2016	
EQUITY AND LIABILITIES					
Shareholders' funds					
a. Share Capital	3	1,08,49,66,320		96,41,78,720	
b. Reserves and Surplus	4	46,62,63,279	1,55,12,29,599	43,18,25,616	1,39,60,04,336
Non-current liabilities					
a. Long Term borrowings	5	51,83,342		13,38,76,716	
b. Long term provisions	6	31,19,366	83,02,708	24,93,318	13,63,70,034
Current Liabilities					
a. Trade payables					
i. Total outstanding due of micro enterprise & Small enterprise		-		-	
ii. Total outstanding due of other than micro enterprise & Small enterprise		1,37,38,63,276		2,10,57,148	
b. Other Current Liabilities	7	2,74,88,995		2,21,92,132	
c. Short term provisions	8	86,05,255	1,40,99,57,526	24,72,007	4,57,21,288
TOTAL			**2,96,94,89,833**		**1,57,80,95,658**
ASSETS					
Non-current assets					
a. Fixed Assets	9				
i. Tangible Assets	A	6,13,64,000		5,64,20,391	
ii. Capital Work in Progress	B	2,54,53,605		-	
b. Non-current investments	10	14,50,793		96,72,493	
c. Long term loans & advances	11	39,15,79,919		43,84,37,933	
d. Other non-current assets	12	1,65,100	48,00,13,417	1,65,100	50,46,95,917
Current Assets					
b. Inventories	13	1,90,00,648		2,00,81,131	
c. Trade receivables	14	1,73,94,16,739		30,16,88,328	
d. Cash & Cash equivalents	15	69,01,36,158		69,47,90,479	
e. Short term loans & advances	16	3,99,94,092		5,60,24,489	
f. Other Current Assets	17	9,28,779	2,48,94,76,416	8,15,314	1,07,33,99,741
TOTAL			**2,96,94,89,833**		**1,57,80,95,658**
Corporate information	1				
Significant accounting policies	2				
Other explanatory information	27				

As per our Report of even date:
For Ishwar & Gopal,
Chartered Accountants

For and on behalf of the Board

K.V. Gopalakrishnayya	**V. Ranganathan**	**Shridhar S Hegde**	**Nutan Soudagar**
Partner	Managing Director	Whole Time Director & CFO	Company Secretary
Membership No : 021748	DIN: 01247305	DIN : 01247342	Membership No: 26148
Firm registration No : 001154S			

Place : Bangalore
Date : 29.05.2017

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

Statement of Profit and Loss for the Year ended 31st March, 2017

Amounts in INR

Particulars	Note No.	For the year ended 31-March-2017		For the year ended 31-March-2016	
Income:					
Revenue from operations	18		1,45,55,74,842		1,33,91,32,824
Other Income	19		1,42,87,317		3,84,19,329
Total Revenue			**1,46,98,62,159**		**1,37,75,52,153**
Expenses:					
Cost of materials consumed	20		2,12,21,821		34,66,270
Purchase of Stock-in-Trade	21		1,38,10,67,112		1,29,94,72,844
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	22		(1,55,81,125)		23,88,906
Employee benefits expense	23		2,35,06,011		1,29,73,309
Financial costs	24		13,89,635		76,74,912
Depreciation and amortization expense	25		10,61,053		35,44,462
Other expenses	26		1,93,19,339		3,80,56,184
Total Expenses			**1,43,19,83,846**		**1,36,75,76,887**
Profit before tax			**3,78,78,312**		**99,75,266**
Tax expense / (Credit):					
Current tax			78,41,510		19,01,461
MAT Credit Entitlement			16,38,520		(19,01,461)
Profit after Tax for the Year			**2,83,98,283**		**99,75,266**
Earning per equity share of Rs 10/ each					
1 Basic			0.28		0.11
2 Diluted			0.26		0.11
Corporate information	1				
Significant accounting policies	2				
Other explanatory information	27				

As per our Report of even date:
For Ishwar & Gopal,
Chartered Accountants

For and on behalf of the Board

K.V. Gopalakrishnayya	**V. Ranganathan**	**Shridhar S Hegde**	**Nutan Soudagar**
Partner	Managing Director	Whole Time Director & CFO	Company Secretary
Membership No : 021748	DIN: 01247305	DIN : 01247342	Membership No: 26148
Firm registration No : 001154S			

Place: Bangalore
Date : 29.05.2017

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31st March 2017

Amounts in INR

Particulars	Year ended 31-March-2017		Year ended 31-March-2016	
A. Cashflow from operating activities				
Net Profit before tax and extraordinary items		2,83,98,283		99,75,266
Adjustments for:				
Depreciation (net)	10,61,053		35,44,463	
Interest expenditure	6,98,306		71,92,578	
Interest income	(34,72,526)		(24,76,571)	
Excess Provision/Unclaimed credit withdrawn	(1,05,60,758)		(22,26,970)	
Foreing exchange loss / (gain) on bonds	(64,13,020)		84,66,980	
Loss/(Profit) on discard/ Sale of fixed assets	-	(1,86,86,945)	(45,000)	1,44,55,480
Operating Profit /(Loss) before working capital changes		97,11,338		2,44,30,746
Adjustment for changes in :				
Decrease in Inventories	(1,43,66,47,928)		1,80,516	
Decrease in Trade & other receivables	1,01,15,693		31,37,69,203	
Decrease in Trade & Other Payable	1,36,79,57,342		(27,05,12,068)	
		(5,85,74,892)		4,34,37,650
Cash generated from operations		(4,88,63,554)		6,78,68,396
Income tax paid (net)		(76,49,947)		(6,50,108)
Net cashflow from Operating Activities		(4,12,13,607)		6,72,18,287
B. Cash Flow from Investing activities				
Interest Income	33,59,061		24,76,571	
Sale of Investment in Subsidiary	82,21,700		3,46,17,924	
Purchase of fixed assets including capital WIP & capital advances	1,96,75,933		(3,64,30,389)	
Sale of fixed assets	-		45,000	
Net cash used in Investing Activities		3,12,56,694		7,09,106
Increase(Decrease) in borrowings	45,60,316		(2,40,233)	
Interest paid	7,42,276		(71,92,578)	
		53,02,592		(74,32,811)
Net Increase / (Decrease) in Cash & Cash equivalants (A+B+C)		(46,54,321)		6,04,94,583
Cash & Cash equivalants Opening Balance		69,47,90,479		63,42,95,895
Closing Balance		69,01,36,158		69,47,90,479
Net Increase / (Decrease) in Cash and Cash equivalents		(46,54,321)		6,04,94,583

As per our Report of even date:
For Ishwar & Gopal,
Chartered Accountants

For and on behalf of the Board

K.V. Gopalakrishnayya	**V. Ranganathan**	**Shridhar S Hegde**	**Nutan Soudagar**
Partner	Managing Director	Whole Time Director & CFO	Company Secretary
Membership No : 021748	DIN: 01247305	DIN : 01247342	Membership No: 26148
Firm registration No : 001154S			

Place: Bangalore
Date : 29.05.2017

1. CORPORATE INFORMATION:

Cerebra Integrated Technologies Limited (the Company) was incorporated under the Companies Act,1956 with registered office at Bangalore, India. The company is listed on Bombay Stock Exchange & National Stock Exchange.

The company is engaged in, assembling and trading of Computer Systems, and Peripherals. The company is also in to the business of providing I T Services and e-Waste management.

2. A. SIGNIFICANT ACCOUNTING POLICIES:

a) System of Accounting:

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention under accrual basis. Indian GAAP comprises of mandatory accounting standards prescribed under section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities Exchange Board of India (SEBI). The accounting policies have been consistently applied by the Company except to the extent of deviations specifically stated. The financial statements are prepared in Indian Rupees.

b) Use of Estimates:

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimate is recognized in the period in which the estimates are revised and in any future period affected.

c) Tangible Assets, Intangible Assets and Capital Work in Progress:

Tangible Assets are stated in the accounts at historical cost together with all costs directly attributable to their acquisition less accumulated depreciation and impairment if any.

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment if any.

Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

d) Depreciation:

The company depreciates its fixed asset over the useful life in themanner prescribed in schedule II of the Companies' Act, 2013, under straight line method. Depreciation on addition / deletion during the year is provided on pro-rata basis.

Individual assets purchased / installed during the year costing less than Rs.5000/- have been fully depreciated in the year of purchase.

Computer software is amortized over the period of six years.

e) Investments:

Long term investments are stated at cost less diminution other than temporary decline in the value of such investments, if any. Current investments are valued at lower of cost and fair value determined by category of investment. The fair value is determined using quoted market price/market observable information adjusted for cost of disposal. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

f) Retirement and other to Employee Benefits:

i. Short term employee benefits: All employee benefits falling due wholly within twelve months of rendering service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences, etc. and expected cost of bonus, are recognized in the period in which employee renders the related service.

ii. Post employee benefits: Defined Contribution plans: The state governed provident fund scheme, and insurance schemeare defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related services.

Defined benefits Plans: The employee gratuity fund scheme is a defined benefit plan. Wherever applicable, the present value of obligations under defined benefit plans is determined based on actuarial valuation using the project unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up final obligation.

The obligation is measured in the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yield on the Government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

The obligations for long term employee benefits such as long term compensated absences, etc. is recognized in the similar manner as in the case of defined benefit plans mentioned above.

g) Revenue Recognition:

i. Revenue from sale of goods is recognized when significant risk and rewards of the ownership of the goods have passed to the buyer which generally coincides with dispatch of goods to the customers. Sales include applicable excise duty but exclude sales tax. Warranty charges forming part of the sales are not recognized separately and expenditure incurred in this regard is accounted when incurred.

ii. Income from IT services is recognized upon completion of milestones wherever payments are linked to such milestones. In cases where payments are based on completion of each man-hour, man-days, man-month of service rendered, revenue is recognized upon respective completion of the same.

h) Inventory:

Inventories are valued at lower of cost or net realizable value and cost is determined on FIFO basis.

i) Foreign Currency Transactions:

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the exchange rates closely approximating those prevailing on the date of transaction.

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realized is recognized in the statement of profit and loss.

Monetary foreign currency assets and liabilities at period end are restated at the closing rate. The difference arising from the restatement is recognized in the statement of profit and loss.

j) Accounting For Claims & Contingencies:

All known liabilities of material value have been provided for in the accounts except liabilities of contingent in nature, which have been disclosed at their estimated value in the notes to account in accordance with accounting standard. As regards, provisions, it is only that obligation arising from past events existing independently of enterprise's future actions that are recognized as provisions. Contingent liabilities are not recognized but are disclosed in the additional information. Contingent assets are neither recognized nor disclosed in the financial statement.

k) Impairment of Assets:

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. The amount of loss for short-term receivables is measured as the difference between the assets carrying amount and undiscounted amount of future cash flows. Reduction, if any, is recognized in the statement of profit and loss. If at the balance sheet date there is any indication that if a previously assessed impairment loss no longer exists, the recognized impairment loss is reversed, subject to maximum of initial carrying amount of the short-term receivable.

Reversal of impairment loss is recognized immediately as income in the statement of profit and loss.

l) Earnings Per Share

Basic earnings per share are calculated by dividing net profit or loss for the year attributable to equity share holders (after deducting attributable taxes and dividend on cumulative preference shares for the year) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.Potential equity shares should be treated as dilutive when, and only when, their conversion to equity shares would decrease net profit per share from continuing ordinary operations.

m) Taxes:

Income tax:

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Tax liability for domestic taxes has been computed after considering Minimum Alternate Tax (MAT). The excess tax paid under MAT provisions being over and above regular tax liability can be carried forward and set off against future tax liabilities computed under regular tax provisions. Accordingly, MAT credit has been recognized, wherever applicable on the balance sheet date which can be carried forward for a period prescribed under the tax regulations.

Deferred tax:

Deferred tax asset are not recognized in respect of unabsorbed losses / depreciation and other benefits as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

n) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts and payments. The cash flows from regular revenue generating, financing, and investing activities of the company are segregated.

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

Notes to the Financial Statement as at 31st March 2017

Amounts in INR

Particulars	As at 31-March-2017		As at 31-March-2016	
	Number	Amount in INR	Number	Amount in INR
3 Share Capital				
Authorised				
a Equity Shares	11,02,00,000	1,10,20,00,000	11,02,00,000	1,10,20,00,000
b Issued				
Equity Shares	10,84,86,482	1,08,48,64,820	9,64,07,722	96,40,77,220
c Subscribed and fully paid up				
Equity Shares	10,84,86,482	1,08,48,64,820	9,64,07,722	96,40,77,220
Add: Forfeited Shares- Amount received on forfeited shares		1,01,500		1,01,500
Total		**1,08,49,66,320**		**96,41,78,720**

d Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Number	Amount in INR	Number	Amount in INR
Equity Shares				
Oustanding at the beginning of the period	9,64,07,722	96,40,77,220	8,43,28,962	84,32,89,620
Issued during the period	1,20,78,760	12,07,87,600	1,20,78,760	12,07,87,600
Outstanding at the end of the period	10,84,86,482	1,08,48,64,820	9,64,07,722	96,40,77,220

e Terms / Rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of share holders in the Annual General Meeting.

During the year, the Company has not declared any dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the equity share holders.

f Out of the total issued and paid up capital 92,16,153 (92,16,153) shares of Rs 10/ each have been allotted as fully paid up pursuant to a contract without payment received in cash

g Shares held by each shareholder holding more than 5 percent shares specifying the number of shares held

Name of the Shareholder	No. of shares held	% of holding	No. of shares held	% of holding
Leman Liversified Fund	-	-	46,71,888	5
Davos International Fund	-	-	46,43,034	5
Heshika Growth Fund	80,78,760	7	60,39,380	6
Stream Value Fund	-	-	51,39,380	5
SSJ Finance & Securities Pvt.Ltd	88,11,782	8	-	-
Auctor Investments Ltd	76,28,760	7	60,39,380	6

Notes to the Financial Statement as at 31st March 2017

Amounts in INR

Particulars	As at 31-March-2017		As at 31-March-2016	
4 RESERVES & SURPLUS				
Capital Reserve-				
Balance as per last financial statement		2,26,77,225		2,26,77,225
Securities Premium Account				
Balance as per last financial statement	58,49,32,234		57,88,92,854	
Add: Received during the year	60,39,380		60,39,380	
Balance as at the end of the year		59,09,71,614		58,49,32,234
Surplus/(Deficit) in Statement of Profit & Loss				
Balance as per last financial statement	(17,57,83,843)		(18,57,59,109)	
Profit for the year	2,83,98,249		99,75,266	
Net surplus/(Deficit) in statement of Profit & Loss		(14,73,85,594)		(17,57,83,843)
Total Reserves & Surplus		46,62,63,279		43,18,25,616
5 LONG TERM BORROWINGS				
Bonds / Debentures				
Foreign currency convertible Bond - Unsecured		-		13,32,40,000
Term Loans				
- From Banks - Secured	6,36,542		8,76,225	
- From Others - Unsecured	48,00,000			
Less: Instalments of term loan payable within a year considered as current liabilities	2,53,200	51,83,342	2,39,509	6,36,716
Net Long term borrowings		51,83,342		13,38,76,716

h Foreign Currency Convertible Bond-unsecured

The company has alloted 5.34% interest bearing Foreing Currency Convertible bond (Dollar Bond), of Dollar 1,00,00,000 on 19th December 2014 having a maturity life of 5 year convertible at any time upto 14th December 2019 into Equity shares of Rs. 10.50 (including premium of Rs. 0.50) at a conversion price of Rs. 63.4135, with a fixed rate of exhange on conversion of Rs. 63.4135 per USD

During the financial year ended 31 March 2017, the Company has converted 20,00,000 (20,00,000) Dollar bonds into 1,20,78,760 (1,20,78,760) equity Shares of 10.50 (including premium of Rs. 0.50) per share at a conversion rate of Rs. 63.4135 per USD

i Term loan from banks is secured by hypothecation of vehicles

Schedule of repayment of loan is as under

Year	Amount in INR
2016-17	2,39,509
2017-18	2,53,200
2018-19	49,46,200
2019-20	1,06,112
2020-21	81,332
2021-22	49,698

Notes to the Financial Statement as at 31st March 2017

Amounts in INR

	Particulars	As at 31-March-2017		As at 31-March-2016	
6	**LONG TERM PROVISIONS**				
	Provision for				
	- Gratuity		29,41,819		22,64,162
	- Leave Benefits		1,77,547		2,29,156
			31,19,366		**24,93,318**
7	**OTHER CURRENT LIABILITIES**				
	Current maturities of long term debts		2,53,200		2,39,509
	Interest accrued but not due on borrowings		22,133		91,42,308
	Advances from Customers		3,60,000		4,58,634
	Liabilities for fixed assets		21,27,757		-
	Statutory Liabilities		68,24,253		36,07,601
	Liabilities for expenses		1,56,83,576		81,11,988
	Due to directors		22,18,076		6,32,093
			2,74,88,995		**2,21,92,132**
8	**SHORT TERM PROVISIONS**				
	Provision for				
	- Bonus		3,38,889		2,08,012
	- Gratuity		78,763		78,763
	- Leave Benefits		24,909		33,966
	- Income Tax (Net of advance Tax)		81,62,694		21,51,266
			86,05,255		**24,72,007**
10	**NON CURRENT INVESTMENTS**				
	a. Investment in subsidiaries [Trade]				
	Cerebra LPO India Limited				
	35,000 (35,000) Equity Shares of Rs. 10 each		3,50,000		3,50,000
	Geeta Monitors Private Limited				
	Nil (4,89,387) Equity Shares of Rs. 10 each		-		82,21,700
	Cerebra Middle East FZCO				
	9 (9) Shares of par value AED 10,000 each		11,00,793		11,00,793
	Cerebra Singapore E-waste				
	1 (1) Share at Par value of SGD 1	44		44	
	Less: Provision for dimunition	44	-	44	-
	b. Investment in other equity instruments [Non Trade]				
	Sankhya Infotech Limited				
	200 (200) Equity Shares of Rs. 10 each	2000		2,000	
	Less : Provision for dimunition	2000		2,000	-
			14,50,793		**96,72,493**

Note No. 9 TANGIBLE ASSETS

		Gross Block				Depreciation				NET BLOCK	
Sl. No.	PARTICULARS	As at 01-04-2016	Additions	Deletions	As at 31-03-2017	As at 01-04-2016	For the year	Deletions	As at 31-03-2017	As at 31-03-2017	As on 31-03-2016
	Tangible assets										
i	Land	2,00,900			2,00,900				-	2,00,900	2,00,900
ii	Lease hold land	5,06,39,394			5,06,39,394				-	5,06,39,394	5,06,39,394
iii	Factory Building	46,38,187	38,41,790		84,79,977	23,29,391	1,64,882		24,94,273	59,85,704	23,08,796
iv	Plant & Machinery	2,26,59,492	40,075		2,26,99,567	2,11,91,894	1,51,804		2,13,43,698	13,55,869	14,67,598
v	Office Equipment	6,83,362	4,50,711		11,34,073	4,69,086	1,91,888		6,60,974	4,73,099	2,14,276
vi	Computer/Printers/ Software	16,01,402	8,64,293		24,65,695	15,49,881	1,74,213		17,24,094	7,41,601	51,521
vii	Vehicles	23,68,173			23,68,173	10,96,395	3,33,886		14,30,281	9,37,892	12,71,778
viii	Electrical Installations	5,42,690	4,58,438		10,01,128	2,76,561	41,509		3,18,070	6,83,058	2,66,129
ix	Furniture & Fixtures		3,49,354		3,49,354		2,871		2,871	3,46,483	-
	TOTAL	**8,33,33,600**	**60,04,661**	**-**	**8,93,38,261**	**2,69,13,208**	**10,61,053**	**-**	**2,79,74,261**	**6,13,64,000**	**5,64,20,392**
	Previous Year	**8,32,47,372**	**1,99,728**	**1,13,500**	**8,33,33,600**	**2,34,82,246**	**35,44,463**	**1,13,500**	**2,69,13,209**	**5,64,20,391**	**5,97,65,126**

Sl No.	Capital Work in Progress	Balance as at 1 April 2016	Additions	Deductions	Balance as at 31 March 2017
(i)	Buildings		1,65,59,949		1,65,59,949
(ii)	Plant & Machinery		81,03,261		81,03,261
(iii)	Furniture & Fixtures		7,90,395		7,90,395
	Total		**2,54,53,605.00**		**2,54,53,605.00**
	Previous Year	**0**	**0**	**0**	

Notes to the Financial Statement as at 31st March 2017

Amounts in INR

	Particulars	As at 31-March-2017	As at 31-March-2016
	Basis of valuation : Investments are stated at cost.		
	Aggregate amount of quoted investments and market value thereof		-
	Aggregate amount of unquoted investments	14,50,793	96,72,493
	Aggregate provision for dimunition in value of investments	2044	2044
11	**LONG TERM LOANS AND ADVANCES**		
	Capital Advances	30,99,46,650	36,10,80,849
	Advance to a Subsidiary	5,92,88,652	6,12,39,149
	Security Deposits Considered Good	38,76,794	47,94,782
	Other Loans & Advances	1,84,67,823	1,13,23,153
		39,15,79,919	**43,84,37,933**
12	**OTHER NON CURRENT ASSETS**		
	- Times Shares	1,65,100	1,65,100
		1,65,100	1,65,100
13	**INVENTORIES**		
	Raw Materials		1,66,61,608
	Stock in Trade	1,90,00,648	34,19,523
		1,90,00,648	**2,00,81,131**
14	**TRADE RECEIVABLES**		
	[Unsecured]		
	Aggregate amount of receivables outstanding for a period exceeding six months from the date they are due for payment		
	Considered Good	96,92,65,966	19,91,70,196
	Others	77,01,50,774	10,25,18,132
		1,73,94,16,739	**30,16,88,328**
15	**CASH AND CASH EQUIVALENTS**		
	Cash in Hand	92,600	10,68,493
	Foreign Currency on hand	2,78,429	1,56,834
	Balance with banks		
	- in foreign currency current account	64,85,00,000	65,85,00,000
	-in other Current Account	5,31,804	27,29,927
	- in Deposit Account (with more than 12 months maturity)	4,07,33,324	3,23,35,224
		69,01,36,158	**69,47,90,479**
16	**SHORT TERM LOANS AND ADVANCES**		
	[Considered Good]		
	Advance to Subsidiaries	2,95,73,291	4,03,68,525
	Prepaid Expenses	8,25,118	7,21,831
	Advance to Suppliers	1,42,488	1,33,607

Notes to the Financial Statement as at 31st March 2017

Amounts in INR

	Particulars	As at 31-March-2017	As at 31-March-2016
	Balance with statutory / Government authorities	23,824	37,32,637
	MAT Credit Entitlement	94,29,371	1,10,67,890
		3,99,94,092	**5,60,24,489**
17	**OTHER CURRENT ASSETS**		
	Interest accrued but not due on deposits	9,28,779	8,15,314
		9,28,779	**8,15,314**
18	**Revenue from Operations**		
	Sale of Products	1,42,33,87,698	1,33,90,16,950
	Sale of Software Services	3,57,03,447	47,70,990
	Revenue from operations (Gross)	1,45,90,91,145	1,34,37,87,940
	Less: Excise Duty	35,16,303	46,55,116
	Revenue from operations (Net)	**1,45,55,74,842**	**1,33,91,32,824**
	Details of Sales		
	Revenue from Trading of Computer Software	1,39,82,14,399	1,33,09,42,634
	Sale of refurbished E-waste	2,16,56,996	34,19,200
		1,41,98,71,395	**1,33,43,61,834**
19	**Other Income**		
	Interest income	34,72,526	24,76,571
	Net gain on sale of fixed assets	-	45,000
	Net gain on foreign currency transaction and translation	-	3,25,24,190
	Excess Provision / (Unclaimed Credit) Withdrawn	1,05,60,758	22,26,970
	Rent Received	1,08,000	-
	Others	1,46,033	11,46,598
		1,42,87,317	**3,84,19,329**
20	**Cost of materials consumed-E-waste**		
	Opening stock	1,66,61,608	1,44,53,218
	Add: Purchase during the year	45,60,213	56,74,660
		2,12,21,821	2,01,27,878
	Less: Closing stock	-	1,66,61,608
	Consumption	2,12,21,821	34,66,270
21	**Purchase of Stock-in-Trade**		
	Purchase of Goods- Computer, Accessories & Software	1,38,10,67,112	1,29,94,72,844
		1,38,10,67,112	**1,29,94,72,844**

Notes to the Financial Statement as at 31st March 2017

Amounts in INR

Particulars	As at 31-March-2017	As at 31-March-2016
22 Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade		
Opening stock of Traded Goods- Computer, Accessories & Software	34,19,523	58,08,429
Less: Closing stock of Traded Goods- Computer, Accessories & Software	1,90,00,648	34,19,523
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	**(1,55,81,125)**	**23,88,906**
23 Employee Benefit Expenses		
Salaries and Wages	2,13,57,516	1,18,85,557
Contribution to Provident & Other Funds	13,40,661	7,48,095
Staff Welfare expenses	8,07,834	3,39,657
	2,35,06,011	**1,29,73,309**
24 Financial Costs		
Interest on bonds	-	70,66,247
Interest others	1,16,823	1,22,840
Interest on Income Tax	5,81,483	3,491
Other borrowing costs	6,91,328	4,82,335
	13,89,635	**76,74,912**
25 Depreciation and amortisation expenses		
Depreciation of tangible assets	**10,61,053**	**35,44,462**
26 Other Expenses		
Consumables	1,28,236	24,487
Power and fuel	6,73,770	2,53,786
Rent	5,88,240	5,53,611
Repairs to machinery	15,66,007	80,906
Donation	-	15,000
Repairs to others	3,08,364	2,39,336
Insurance	1,70,244	1,38,201
Rates & Taxes, excluding taxes on income	7,93,639	3,24,950
Remuneration to auditors	4,54,470	3,11,308
Legal & Professional charges	28,40,827	16,27,438
Freight & Forwarding	1,16,847	44,290
Bad debts/deposits written off	2,10,113	2,84,55,367
Travelling and conveyance	16,59,446	6,67,962
Communication expenses	4,89,148	3,09,864
Labour charges	2,17,676	1,20,763
Advertisement & Business promotion	25,08,786	38,38,409
Net loss on foreign currency transaction and translation	43,18,609	-

Notes to the Financial Statement as at 31st March 2017

Amounts in INR

Particulars	As at 31-March-2017	As at 31-March-2016
Printing & Stationery	1,49,586	1,14,397
Security Charges	75,814	
Miscellaneous Expenses	15,94,658	9,30,884
Prior Year Expenses	4,54,860	5,182
Provision for Loss on Investments	-	44
	1,93,19,339	**3,80,56,184**
Remuneration to Auditor		
Audit fees	2,75,000	1,50,000
Tax Audit fees	1,00,000	1,00,000
Certification	50,000	50,000
VAT Audit Fees	20,000	
Reimbursement of expenses / Service tax	9,470	11,308
	4,54,470	**3,11,308**

27. OTHER EXPLANATORY INFORMATION:

(Amounts are in INR unless otherwise stated)

1) Employee benefits:

a) Gratuity

Changes in present value obligation

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Present Value of Funded Obligation	-	-
Fair Value of plan asset	-	-
Present Value of unfunded obligation	30,20,582	23,42,925
Unrecognized Past service cost	-	-
Amount not recognized as an asset	-	-
Net liability	30,20,582	23,42,925
Amounts in balance sheet		
Asset	-	-
Liability	30,20,582	23,42,925
Net liability is bifurcated as follows		
Current liability	1,13,488	78,763
Non-Current liability	29,07,094	22,64,162
Net liability	30,20,582	23,42,925

Notes to the Financial Statement as at 31st March 2017

Amounts in INR

Particulars	As at 31-March-2017	As at 31-March-2016

Expense to be recognized in Statement of Profit & Loss Account

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Current Service Cost	1,58,396	1,40,800
Interest on defined benefit obligation	1,93,262	1,74,869
Expected return on Plan assets	-	-
Net Actuarial (gains)/Loss recognized in the year	3,51,834	(44,838)
Total included in employee benefit expenses	7,03,042	2,70,831
Actual return on Plan Assets	-	-

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	23,42,925	20,98,056
Current Service Cost	1,58,396	1,40,800
Interest Cost	1,93,262	1,74,869
Actuarial Losses / (Gain)	3,51,384	(44,838)
Benefits Paid	(25,385)	(25,962)
Closing Defined Benefit Obligation	30,20,582	23,42,925
Expected employer contribution next year	1,13,488	78,763
Economic Assumption		

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Discounting rate	7.20 %	7.85 %
Salary escalation rate	7.00 %	7.00 %
Demographic Assumption		
Retirement age	58 years	58 years
Mortality table	LIC (1994-96) mortality table	LIC (1994-96) mortality table
Leaving service rates		
Age (years)	**Rates**	
21-30	15%	15%
31-34	10%	10%
35-44	5%	5%
45-50	3%	3%
51-54	2%	2%
55-57	1%	1%

Notes to the Financial Statement as at 31st March 2017

Amounts in INR

Particulars	As at 31-March-2017	As at 31-March-2016

b) Leave salary:

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Present Value of Funded Obligation	-	-
Fair Value of plan asset	-	-
Present Value of unfunded obligation	2,02,456	2,63,122
Amount in balance sheet		
Asset	-	-
Liability	2,02,456	2,63,122
Net liability is bifurcated as follows		
Current liability	24,909	33,966
Non-current liability	1,77,547	2,29 156
Net Liability	2,02,456	2,63,122
Expenses recognized in the statement of profit and loss	(60,666)	65,149

2) Value of Import on CIF basis

a) Trading goods Rs. 2,08,56,490 (PY Rs. 1,28,00,170)

b) Capital Goods Rs. Nil (Rs. Nil)

c) Consumption of goods

Particulars	Year ended 31-Mar-17		Year ended 31-Mar-16	
	In Rs.	Percentage	In Rs.	Percentage
Indigenous	2,12,21,821	100%	34,66,270	100%
Imported	0	0%	0	0%
Total	2,12,21,821	100%	34,66,270	100%

3) Earning in foreign exchange

a) Export - Software services Rs. Nil (Rs. Nil)

4) Expenditure in Foreign currency

Foreign Travel Rs. 2,15,402/- (Rs. 2,69,108)

5) Earnings per share

Sl. No.	Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
A	Basic Earnings Per Share		
1.	Profit after tax	3,78,78,312	99,75,266
2.	Weighted average number of equity shares considered for calculation of basic earnings per share	10,06,76,654	8,90,15,257
3.	Earnings per share - Basic	0.28	0.11
B.	Diluted Earnings Per Share		
1.	Profit after tax	3,78,78,312	99,75,266
	Add: Interest on convertible FCCB bonds	Nil	70,66,247
	Tax shield on above @ 30.39%	Nil	(21,83,470)
	Diluted Earnings	3,78,78,312	1,48,58,043

Notes to the Financial Statement as at 31st March 2017

Amounts in INR

Particulars	As at 31-March-2017	As at 31-March-2016
B Weighted average number of equity shares considered for calculation of diluted earnings per share	10,84,86,482	10,10,94,017
4. Earnings per share -Dilute	0.26	0.11

Note: Potential equity shares (Convertible FCCB) increases earnings per share and hence considered as anti-dilutive.

6) Directors Remuneration:

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Salary	72,00,000	36,00,000
Contribution to Provident Fund	3,96,000	2,16,000
Total	**75,96,000**	**38,16,000**

7) Balances of Sundry Debtors, Advances given to parties, Sundry Creditors and advances received from parties are subject to confirmation.

8) Due to Micro, small & medium enterprises

As per the records maintained by the company there are no dues to the Micro, small & medium enterprises as on the date of balance sheet.

Disclosure under required under MSME Act, 2006.

Sl. No.	Particulars	31-Mar-17	31-Mar-16
a.	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
b.	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

9) Related Party Disclosure

i. Related Parties

Name of related party	Nature
Cerebra LPO India Limited	Subsidiary
Cerebra Middle East FZCO	Subsidiary
Geeta Monitors Private Limited	Subsidiary till 30th June 2015

Notes to the Financial Statement as at 31st March 2017

Amounts in INR

Particulars	As at 31-March-2017	As at 31-March-2016
Cerebra E-Waste Recovery Pte Ltd	Subsidiary under Liquidation	
Kranion Technologies Ltd	Entity in which KMP and/or their relative are able to exercise significant influence.	

ii Key Management Personnel (KMP)

Name	Designation
V Ranganathan	Managing Director
P VishwaMurthy	Whole time Director
Shridhar S Hedge	Whole time Director

The Company has the following transactions with related parties:

iii. Transaction during the year:

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
V Ranganathan		
Remuneration paid	25,32,000	12,72,000
P Vishwamurthy		
Remuneration paid	25,32,000	12,72,000
Shridhar S Hegde		
Remuneration paid	25,32,000	12,72,000
Geeta Monitors Private Limited -till 30th June 2015		
Purchase of goods	Nil	1,21,807
Sale of goods	Nil	10,11,657

iv. Balance with Related parties:

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
i. Cerebra LPO India Limited		
- Balance Receivable	5,92,88,652	6,12,39,149
- Investment	3,50,000	3,50,000
ii. Cerebra Middle East FZCO		
- Balance Receivable	2,95,73,292	4,03,68,525
- Investment	11,00,793	11,00,793
iii. Geeta Monitors Private Limited		
- Investment	Nil	82,21,700
iv. Cerebra Ewaste Recovery Pte Limited, Singapore		
- Investment	44*	44*
v. V Ranganathan Payable	4,42,457	93,660
vi. Shridhar Hegde Payable	8,43,644	3,97,939
vii. P Vishwamurthy Payable	6,37,530	1,40,494

*Provision has been made for doubtful investment

Notes to the Financial Statement as at 31st March 2017

Amounts in INR

Particulars	As at 31-March-2017	As at 31-March-2016

10) Lease hold land amounting Rs. 5,06,39,394/- (PY- Rs. 5,06,39,394/-) includes 48,564 Sq. Mtrs of land at Narsapura Industrial Area, KolarTaluk, Kolar District, allotted by Karnataka Industrial Area Development Board (KIADB) on lease cum sale basis for setting up an e-waste recycling plant within a specified period. As per the lease cum sale agreement, KIADB has got the right to determine the lease and forfeit up to 25% of the consideration paid / enhance the compensation payable if the company fails to set up the plant with in the specified period.

11) Advance amounting Rs. 1,34,62,456 (Previous year 1,34,62,456) relates to remittance made to Enviro Hub Ltd Singapore through Cerebra E waste recovery Pte Limited (a wholly owned subsidiary under liquidation). As per the Share Purchase Agreement (SPA) entered between the Company and Enviro-Hub Holdings Limited Singapore (Enviro) the subsidiary Company remitted US$ 12,50,000 equivalent to Rs 6,86,21,230 to Enviro on 2nd February 2013 as initial deposit towards acquisition of 100% shares of Enviro's wholly owned subsidiary Cimelia Resource Recovery Pte Limited (Cimelia), a Company in the field of e waste recycling business. However during July 2013 based on the advice given by the consultants and advisors the Company decided to abort the acquisition proposal. The Company is negotiating with Enviro for refund of the initial deposit and is confident of amicable settlement of the matter and hence no provision is made.

12) Capital advance includes :

(i) Rs 6,99,09,332 (Rs. 12,82,44,644) towards purchase of land and other expenses for setting up of an E-waste plant near Chennai paid during 2009-10. Subsequently the Company has decided to shift the project to Narasapura near Bangalore, and sought refund of advance.

(ii) Rs. 4,02,50,000 (Previous Year Rs 4,02,50,000) was advanced to Cimelia Resource Recovery Pte Limited Singapore (Cimelia) on 24th May 2011 towards technology fee. The payment is made by allotting 23,00,000 equity shares of the Company at a premium of Rs 7.50 Per share.

(iii) Rs. 6,30,00,000 (Previous Year Rs. 6,30,00,000) was advanced to Restorer Corp Pte Limited, formerly known as Scenic Overseas (S) Pte Limited (Scenic) on 24th May 2011 towards supply of plant and machinery for e waste recycling plant in India. The payment is made by allotting 36,00,000 equity shares of the Company at a premium of Rs 7.50 Per share.

(iv) Rs. 5,77,50,000 (Previous Year Rs. 5,77,50,000) was advanced to Leytron Technology Pte Limited (Leytron) on 24th May 2011 towards installation and commissioning of the above plant. The payment is made by allotting 33,00,000 equity shares of the Company at a premium of Rs 7.50 Per share.

(v) All the above allotments were made based on the approvals obtained from the FIPB, Government of India, and the Bombay Stock Exchange Ltd, Mumbai. On signing the SPA, Scenic and Leytron have agreed to return the shares allotted to them and authorized the Company to do the needful to set off against the advance amount. The Company is expecting the refund of advance by Ciemelia either by cash or by transfer of shares.

(vi) Rs. 88,48,000 (Previous Year Rs. 88,48,000) represents balance in advance for supply of plant account from Scenic outstanding since 24th May 2011.

(vi) Further, the Company has obtained an interim injunction order from Honorable Addl. City Civil Court Bangalore restraining the above mentioned parties from alienating, encumbering or creating any manner of charge or third party rights over the shares allotted to them as detailed above.

(vii) On signing the SPA, Scenic and Leytron have agreed to return the shares allotted to them and authorized the Company to do the needful to set off against the advance amount. The Company is undergoing arbitration in the current matter.

(viii) Considering the negotiations with the concerned parties and opinion of the consultantsno provision is made in the accounts towards these long outstanding advances.

Notes to the Financial Statement as at 31st March 2017

Amounts in INR

Particulars	As at 31-March-2017	As at 31-March-2016

13) Trade Receivables includes Rs. 19,45,44,167/- (P.Y Rs. 19,43,93,605/-) outstanding for substantial period. Based on the discussions with these parties the management is confident of recovering these dues and hence no provision has been made in the books.

14) **Details of non-resident share holders:**

Sl. No.	Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
1	Number of Non-resident share holders	79	55
2	Number of shares held by non-resident share holders	3,20,087	94,71,894
	Foreign Bodies	2,49,07,520	3,06,24,973
3	Amount remitted during the year in foreign currency on account of Dividends	Nil	Nil
15)	**Contingent Liabilities and Commitments (To the Extent Not Provided For)**		
	Counter guarantee given to the bankers for guarantees issued on behalf of the Company	4,06,73,186	3,22,84,172

16) Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016

Particulars	SBNs	Other denomination notes	Total
	Rs.	Rs.	Rs.
Closing cash in hand as on 08.11.2016	1,58,500	14,409	1,72,909
(+) Permitted receipts	-	2,40,323	2,40,323
(-) Permitted payments	-	1,27,517	1,27,517
(-) Amount deposited in Banks	1,58,500	-	1,58,500
Closing cash in hand as on 30.12.2016	-	1,27,215	1,27,215

17) Figures in bracket relates to previous year. Pervious year figures are regrouped where ever necessary in conformity with the presentation of the current year.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CEREBRA INTEGRATED TECHNOLOGIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Cerebra Integrated Technologies Limited ('The Holding Company') and its subsidiaries (hereinafter collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The Board of directors of the respective Companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these Consolidated Financial Statements by the Board of Directors of the Company.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31 March 2017 and its consolidated profit and its consolidated cash flows for the year ended on that date.

Emphasis of matter

Without qualifying our report, we draw attention to note 2h, 2i and 2j of the consolidated financial statements relating to capital advances amounting to Rs. 37,24,80,412/- and trade receivables amounting to Rs. 19,45,44,167/- which are outstanding for more than three years. This raises question regarding recoverability of these dues. The Management is confident of recovering the same either in cash or in kind and hence no provision is made in the accounts.

Other Matters

We did not audit the financial statements of a subsidiary incorporated outside India, whose financial statements reflect total assets of Rs. 36,91,08,664/- as in 31st March 2017 and total revenue of Rs. 1,03,91,67,841 for the period then ended as considered in the financial statements. The financial statements audited by other auditors and approved by the respective Board of Directors of the Company have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of this subsidiary is based solely on such approved audited financial statements.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the financial statements certified by the Management

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated financial statements;
   b. In our opinion, proper books of account as required by law relating to preparation of consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;
   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with books of account maintained for the purpose of preparation of consolidated financial statements;
   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   e. On the basis of the written representations received from the Directors of the Holding Company as on 31st March 2017 and taken on record by the Board of Directors of the Holding Company, and reports of the statutory auditor of the subsidiary Company none of the directors of the Group Companies incorporated in India are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in Annexure A, and
   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Consolidated financial statements of the Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 2 (l) of Notes to the financial statements;
      ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contacts including pending derivative contracts wherever applicable;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
      iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 in respect of the Holding Company and a subsidiary incorporated in India. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

For Ishwar & Gopal,
Chartered Accountants,
Registration No: 001154S

K.V Gopalakrishnayya
Partner
Membership No.: 21748

Place : Bangalore

Date : 29.05.2017

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Cerebra Integrated Technologies Limited ("the Holding Company") and a subsidiary company which are incorporated in India as of 31st March 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries ,which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error..

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Adverse Opinion

According to the information and explanation given to us and based on our audit, the following material weakness has been identified as at 31st March 2017.

According to the information and explanations given to us and based on our audit of the Company's internal financial control over advance payment for purchase of fixed assets, customer acceptance, credit evaluation and establishing customer credit limit for sales, were not operating effectively which could potentially result in recognizing revenue/ non provision for bad debts without establishing reasonable certainty of ultimate collection.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, because of the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017, consolidated financial statements of the Company, and the same is reported under emphasis of matters in our report of even date.

For Ishwar & Gopal,
Chartered Accountants,
Registration No.: 001154S

K.V Gopalakrishnayya
Partner
Membership No.: 21748

Place : Bangalore
Date : 29.05.2017

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st March 2017

Amounts in INR

Particulars	Note No.	As at 31-March-2017		As at 31-March-2016	
EQUITY AND LIABILITIES					
Shareholders' funds					
a. Share Capital	3	1,08,49,66,320		96,41,78,720	
b. Reserves and Surplus	4	65,51,36,751	1,74,01,03,071	51,71,79,276	1,48,13,57,996
Minority Interest			1,64,78,374		77,85,701
Non-current liabilities					
a. Long Term borrowings	5	1,27,99,539		15,33,30,808	
c. Long term provisions	6	35,88,384	1,63,87,923	30,44,109	15,63,74,917
Current Liabilities					
a. Short term borrowings	7	-		31,00,600	
b. Trade payables					
i. Total outstanding due of micro enterprise & Small enterprise					
ii. Total outstanding due of other than micro enterprise & Small enterprise		1,47,95,56,582		9,37,55,690	
c. Other Current liabilities	8	5,92,96,896		6,74,78,800	
d. Short term provisions	9	93,86,586	1,54,82,40,064	25,47,337	16,68,82,427
TOTAL			**3,32,12,09,432**		**1,81,24,01,041**
ASSETS					
Non-current assets					
a. Fixed Assets	10				
i. Tangible Assets	A	6,39,65,343		5,95,00,783	
ii. Intangible Assets	B	-		-	
iii. Capital Work in Progress	C	2,54,53,605		-	
b. Non-current investments	11	-		82,21,700	
c. Long term loans & advances	12	33,34,56,537		38,10,63,807	
d. Other non current assets	13	1,65,100	42,30,40,585	1,65,100	44,89,51,390
Current Assets					
a. Inventories	14	2,24,52,674		2,43,80,033	
b. Trade receivables	15	21,60,773,205		62,41,09,456	
c. Cash & Cash equivalents	16	70,02,51,827		69,65,54,919	
d. Short term loans & advances	17	1,37,62,362		1,75,89,928	
e. Other Current assets	18	9,28,779	2,89,81,68,847	8,15,314	1,36,34,49,651
TOTAL			**3,32,12,09,432**		**1,81,24,01,041**
Significant accounting policies	1				
Other explanatory information	2				

As per our Report of even date:
For Ishwar & Gopal,
Chartered Accountants

For and on behalf of the Board

K.V. Gopalakrishnayya	**V. Ranganathan**	**Shridhar S Hegde**	**Nutan Soudagar**
Partner	Managing Director	Whole Time Director & CFO	Company Secretary
Membership No. : 021748	DIN: 01247305	DIN : 01247342	Membership No. 26148
Firm registration No. : 001154S			

Place : Bangalore
Date : 29.05.2017

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2017

Amounts in INR

Particulars	Note No.	For the year ended 31-March-2017		For the year ended 31-March-2016	
Revenue from operations	19		2,50,48,35,645		2,38,04,63,960
Other Income	20		1,49,10,055		3,88,08,562
Total Revenue			**2,51,97,45,699**		**2,41,92,72,522**
Expenses:					
Cost of materials consumed	21		2,12,21,821		34,66,270
Purchase of Stock-in-Trade	22		2,17,75,06,617		2,19,15,93,405
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	23		(1,55,81,125)		(1,91,84,734)
Employee benefits expense	24		6,20,44,023		6,08,89,988
Financial costs	25		1,46,52,921		2,52,66,102
Depreciation and amortization expense	26		17,00,854		51,46,258
Other expenses	27		12,75,32,131		12,24,10,719
Total Expenses			**2,38,90,77,242**		**2,38,95,88,008**
Profit before exceptional and extraordinary items and tax			13,06,68,457		2,96,84,514
Exceptional Items-Loss on disinvestment in subsidiary			-		1,00,22,076
Profit before tax			13,06,68,457		1,96,62,438
Tax expense / (credit):					
Current tax			78,41,510		35,22,421
MAT Credit Entitlement			16,38,554		(19,01,461)
Deferred Tax			-		17,01,46
Total			**94,80,030**		**33,22,421**
Profit after tax for the year			12,11,88,427		1,63,40,017
Less: Minority Interest			86,92,673		(1,83,088)
Net profit after taxes & minority interest			11,24,95,754		1,65,23,104
Earning per equity share:					
1. Basic			1.12		0.11
2. Diluted			1.04		0.19

As per our Report of even date:
For Ishwar & Gopal,
Chartered Accountants

For and on behalf of the Board

K.V. Gopalakrishnayya	**V. Ranganathan**	**Shridhar S Hegde**	**Nutan Soudagar**
Partner	Managing Director	Whole Time Director & CFO	Company Secretary
Membership No : 021748	DIN: 01247305	DIN : 01247342	Membership No. 26148
Firm registration No : 001154S			

Place : Bangalore
Date : 29.05.2017

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

Consolidated Cash Flow Statement for the year ended 31st March 2017

Amounts in INR

Particulars	For the Year ended 31-March-2017		For the year ended 31-March-2016	
A. Cashflow from operating activities				
Net Profit before tax and minority interest		13,06,68,457		1,96,62,438
Adjustments for:				
Depreciation	17,00,854		51,46,258	
Interest expenditure	1,28,84,382		2,27,91,531	
Interest income	(34,72,526)		(24,85,379)	
Variation in trade payables and receivables on account of sale of investment in a subsidiary	-		(4,56,77,251)	
Excess provision withdrawn	(1,05,60,758)		(22,26,970)	
Provision for doubtful debts	-		28,64,177	
Profit on sale of fixed assets	-	5,51,952	(45,000)	(1,96,32,633)
Operating Profit /(Loss) before working capital changes		13,12,20,409		29,805
Adjustment for changes in :				
Decrease in inventories	19,27,359		14,80,99,585	
Decrese in Trade & other receivables	(1,53,76,84,906)		36,44,69,732	
Decrease in Trade & Other Payable	1,40,29,21,662		(38,27,93,512)	
		(13,28,35,885)		12,97,75,804
Cash generated from operations		(16,15,476)		12,98,05,609
Income tax paid (net)		(17,01,703)		(29,40,865)
Net Cash flow before extraordinary items		(33,17,179)		12,68,64,744
Net cashflow from Operating Activities		(33,17,179)		12,68,64,744
B. Cash Flow from Investing activities				
Interest Income	33,59,061		20,53,451	
Purchase of fixed assets including capital WIP & capital advances	1,94,90,152		1,87,26,756	
Sale of fixed assets	25,032		45,000	
Investments	82,21,700		(82,21,700)	
Net cash used in Investing Activities		3,10,95,945		1,26,03,507
C. Cashflow from Financing Activities				
Foreign Currency Translation	1,30,09,320		1,91,81,174	
Increase / (Decrease) in borrowings	(2,42,06,796)		(8,74,95,700)	
Interest paid	(1,28,84,382)	(2,40,81,858)	(2,27,91,531)	(9,11,06,057)
Net Increase / (Decrease) in Cash & Cash equivalants (A+B+C)		36,96,908		4,83,62,195
Cash & Cash equivalants				
Opening Balance		69,65,54,919		64,81,92,724
Closing Balance		70,02,51,827		69,65,54,919
Net Increase / (Decrease) in cash and cash equivalents		36,96,908		4,83,62,195

As per our Report of even date:
For Ishwar & Gopal,
Chartered Accountants

For and on behalf of the Board

K.V. Gopalakrishnayya	**V. Ranganathan**	**Shridhar S Hegde**	**Nutan Soudagar**
Partner	Managing Director	Whole Time Director & CFO	Company Secretary
Membership No. : 021748	DIN: 01247305	DIN : 01247342	Membership No. 26148
Firm registration No. : 001154S			

Place : Bangalore
Date : 29.05.2017

1. SIGNIFICANT ACCOUNTING POLICIES:

a) SYSTEM OF ACCOUNTING:

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention under accrual basis. Indian GAAP comprises of mandatory accounting standards prescribed under section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities Exchange Board of India (SEBI).The accounting policies have been consistently applied by the Company except to the extent of deviations specifically stated. The financial statements are prepared in Indian Rupees.

b) PRINCIPLES OF CONSOLIDATION:

The consolidated financial statements have been prepared on the following basis:

i. The consolidated financial statements include the financial statements of Cerebra Integrated Technologies Ltd and all its subsidiaries, which are more than 50% owned or controlled. The financial statements of the Parent Company and its majority owned / controlled subsidiaries have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all intercompany balances / transactions and resulting unrealized gain / loss.

ii. Minority interest in the net assets of consolidated subsidiaries consists of:

a) The amount of equity attributable to the minorities at the dates on which investment in a subsidiary is made; and

b) The minority's share of movements in equity since the date of parent-subsidiary relationship came into existence.

Minority interest in share of net result for the year is identified and adjusted against the profit after tax. Excess of loss, if any, attributable to the minority over and above the minority interest in the equity of the subsidiaries is absorbed by the Company.

iii. The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances except for deviations mentioned under the respective accounting policies.

iv. The performance of a company till the date it was a subsidiary is considered in consolidated profit and loss Account.

c) USE OF ESTIMATES:

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimate is recognized in the period in which the estimates are revised and in any future period affected.

d) TANGIBLE ASSETS, INTANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS:

Fixed assets are stated at historical cost less accumulated depreciation. Costs include expenditure directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction or production of qualifying assets are capitalized as part of the cost.

Intangible assets are stated at the consideration paid for acquisition less accumulated amortization.

Cost of fixed assets not ready for use before the balance sheet date is disclosed as capital work-in-progress. Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date is disclosed under long term loans and advances.

e) DEPRECIATION:

The company depreciates its fixed asset over the useful life in the manner prescribed in schedule II of the companies' act, 2013. Depreciation on addition/ deletion during the year is provided on pro-rata basis. The Individual assets

purchased / installed during the year costing less than Rs. 5000/- have been fully depreciated in the year of purchase. Depreciation on computer software is provided over the period of six years, except that in the case of Cerebra Middle East FZCO. Depreciation on additions/deletion during the year has been provided for on pro-rata basis. Assets purchased/installed during the year costing less than Rs. 5000/- are fully depreciated.

In respect of Cerebra Middle East FZCO, depreciation is provided under straight line method at the rate of 10% as per local laws.

f) INVESTMENTS:

Long term investments are stated at cost less other than temporary decline in the value of such investments, if any. Current investments are valued at lower of cost and fair value determined by category of investment. The fair value is determined using quoted market price/market observable information adjusted for cost of disposal. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

g) RETIREMENT AND OTHER TO EMPLOYEE BENEFITS:

i. Short term employee benefits: All employee benefits falling due wholly within twelve months of rendering service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences, etc. and expected cost of bonus, are recognized in the period in which employee renders the related service.

ii. Post employee benefits: Defined Contribution plans: The state governed provident fund scheme, insurance scheme, and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related services.

Defined benefits Plans: The employee gratuity fund schemes and other defined benefits plans. Wherever applicable, the present value of obligations under defined benefit plans is determined based on actuarial valuation using the project unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up final obligation.

The obligation is measured in the present value of the estimated future cash flows except in case of Cerebra Middle East FZCO. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yield on the Government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

The obligations for long term employee benefits such as long term compensated absences, etc. is recognized in the similar manner as in the case of defined benefit plans mentioned above.

In respect of Cerebra Middle East FZCO, employee benefits are recognized as per local laws.

h) REVENUE RECOGNITION:

i. Revenue from sale of goods is recognized when significant risk and rewards of the ownership of the goods have passed to the buyer which generally coincides with dispatch of goods to the customers. Sales include applicable excise duty but exclude sales tax. Warranty charges forming part of the sales are not recognized separately and expenditure incurred in this regard is accounted when incurred.

ii. Income from IT enabled services is recognized upon completion of milestones wherever payments are linked to such milestones. In cases where payments are based on completion of each man-hour, man-days, man-month of service rendered, revenue is recognized upon respective completion of the same.

i) INVENTORY:

Inventories are valued at lower of cost or net realizable value. In respect of traded stock cost is computed under first in first out (FIFO) method.

j) FOREIGN CURRENCY TRANSACTIONS:

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the exchange rates closely approximating those prevailing on the date of transaction.

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realized is recognized in the statement of profit and loss.

Monetary foreign currency assets and liabilities at period end are restated at the closing rate. The difference arising from the restatement is recognized in the statement of profit and loss.

Financial statements of foreign subsidiary are classified as non integral foreign operations and are incorporated in the financial statements using the following procedures for translation.

a. the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation translated at the closing rate;

b. income and expense items of the non-integral foreign operation are translated at exchange rates as on the date of the transaction using the average rate for the year; and

c. all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

k) ACCOUNTING FOR CLAIMS & CONTINGENCIES:

All known liabilities of material value have been provided for in the accounts except liabilities of contingent in nature, which have been disclosed at their estimated value in the notes to account in accordance with accounting standard (AS 29). As regards, provisions, it is only that obligation arising from past events existing independently of enterprise's future actions that are recognized as provisions. Contingent liabilities are not recognized but are disclosed in the additional information. Contingent assets are neither recognized nor disclosed in the financial statement.

l) IMPAIRMENT OF ASSETS:

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. The amount of loss for short-term receivables is measured as the difference between the assets carrying amount and undiscounted amount of future cash flows. Reduction, if any, is recognized in the statement of profit and loss. If at the balance sheet date there is any indication that if a previously assessed impairment loss no longer exists, the recognized impairment loss is reversed, subject to maximum of initial carrying amount of the short-term receivable.

Reversal of impairment loss is recognized immediately as income in the statement of profit and loss.

m) EARNINGS PER SHARE

Basic Earnings per share are calculated by dividing net profit or loss for the year attributable to equity share holders (after deducting attributable taxes and dividend on cumulative preference shares for the year) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Potential equity shares should be treated as dilutive when, and only when, their conversion to equity shares would decrease net profit per share from continuing ordinary operations.

n) Taxes:

i. Income Tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Tax liability for domestic taxes has been computed after considering Minimum Alternate Tax (MAT). The excess tax paid under MAT provisions being over and above regular tax liability can be carried forward and set off against future tax liabilities computed under regular tax provisions. Accordingly, MAT credit has been recognized, wherever applicable on the balance sheet date which can be carried forward for a period prescribed under the tax regulations.

ii. Deferred Tax

Deferred tax on account of timing differences, between taxable income and accounting income is recognized using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax

assets are recognized to the extent there is certainty that these would be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written off to reflect the amount that is reasonable/virtually certain (as the case may be) to be realized.

o) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts and payments. The cash flows from regular revenue generating, financing, and investing activities of the company are segregated.

2. OTHER EXPLANATORY INFORMATION: (Amounts are in INR unless otherwise stated)

a) The enterprises considered in the consolidated financial statements are:

Name of the enterprise	Country of incorporation	Voting power	
		As on 31-Mar-2017	As on 31-Mar-2016
Cerebra LPO India Limited	India	70%	70%
Cerebra Middle East FZCO	Dubai	90%	90%
Geeta Monitores Private Limited *	India	NA	NA
Cerebra E-Waste Recovery Pte Limited	Singapore	100%	100%

*Ceases to be a subsidiary effective from 1st July 2015, Company under liquidation.

b) Segment wise business performance:

Business Segment: The Company's operating businesses are organized and managed separately according to the nature of products and services, with each segment representing a strategic business unit that offers different products / services. The two identified segments are hardware trading and software services.

Secondary Segment: The analysis of Geographical segment is based on the geographical location of the customers.

Segment Information

Amounts in INR

Particulars	31-Mar-17	31-Mar-16
i. Primary segment report by business segment		
I. Segment revenue		
a. Hardware & Software Trading	2,49,40,54,431	2,36,20,07,763
b. Software	1,07,81,214	1,84,56,197
Total	2,50,48,35,645	2,38,04,63,960
II. Segment result		
Profit/(loss) before tax & interest		
a. Hardware & Software Trading	14,82,53,085	5,40,22,122
b. Software	(29,31,708)	(90,93,582)
Total	14,53,21,378	4,49,28,540
III. Segment assets		
a. Hardware & Software Trading	3,24,82,85,761	1,73,54,47,122
b. Software	7,29,23,671	7,69,53,918
Total	3,32,12,09,432	1,81,24,01,040

IV. Segment Liabilities		
a. Hardware & Software Trading	1,56,46,27,989	25,88,29,274
b. Software	7,11,15,233	7,22,13,772
Total	1,63,57,43,222	2,31,26,27,665
V. Capital expenditure		
a. Hardware & Software Trading	61,90,442	1,99,728
b. Software	-	-
Total	61,90,442	1,99,728
VI. Depreciation		
a. Hardware & Software Trading	12,80,022	46,01,731
b. Software	4,20,832	5,44,527
Total	17,00,854	51,46,258
ii. Secondary Segment reporting by geographical segment		
Segment wise Revenue	31-Mar-17	31-Mar-16
a. Revenue from customers outside India	1,46,41,39,562	85,86,54,771
b. Revenue from customers in India	1,04,06,96,083	1,52,18,09,189
Total	2,50,48,35,645	2,38,04,63,960

c) Earnings per share:

Sl. No.	Particulars	31-Mar-17	31-Mar-16
A	Basic Earnings Per Share		
1.	Profit after tax	11,24,95,754	1,65,23,104
2.	Weighted average number of equity shares considered for calculation of basic earnings per share	10,06,76,654	8,90,15,257
3.	Earnings per share - Basic	1.12	0.11
B.	Diluted Earnings Per Share		
1.	Profit after tax	11,24,95,754	1,65,23,104
	Add: Interest on convertible FCCB bonds	Nil	70,66,247
	Tax shield on above @ 30.9%	Nil	(21,83,470)
	Diluted Earnings	11,24,95,754	2,14,05,881
B	Weighted average number of equity shares considered for calculation of diluted earnings per share	10,84,86,482	10,10,94,017
4.	Earnings per share -Dilute	1.04	0.19

Note: In this case potential equity shares (Convertible FCCB) increases earnings per share and considered as anti-dilutive. Hence diluted earnings is stated same as basic earning.

d) Due to Micro, small & medium enterprises

As per the records maintained by the company there are no dues to the micro, small & medium enterprises as on the date of balance sheet.

Disclosure under required under MSME Act, 2006.

Sl. No.	Particulars	31-Mar-17	31-Mar-16
a.	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
b.	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

e) Related Party Disclosure

i. Related Parties

Kranion Technologies Ltd - Entity in which KMP and/or their relative are able to exercise significant influence.

ii. Key Management Personnel

Name	Designation
V Ranganathan	Managing Director
P VishwaMurthy	Whole time Director
Shridhar S Hegde	Whole time Director

iii) The Company has following transactions with related parties:

Particulars	31-Mar-17	31-Mar-16
Remuneration to Directors		
V Ranganathan	25,32,000	12,72,000
Shridhar S Hegde	25,32,000	12,72,000
P Vishwamurthy	25,32,000	12,72,000

iv) Balances payable to related parties

Particulars	31-Mar-17	31-Mar-16
V Ranganathan	4,42,457	93,660
Shridhar S Hegde	8,43,644	3,97,939
P Vishwamurthy	6,37,530	1,40,494

f. Lease hold land amounting Rs. 5,06,39,394/- (PY- Rs. 5,06,39,394/-) includes 48,564 Sq. Mtrs of land at Narsapura Industrial Area, KolarTaluk, Kolar District, allotted by Karnataka Industrial Area Development Board (KIADB) on lease cum sale basis for setting up an e-waste recycling plant within a specified period. As per the lease cum sale agreement, KIADB has got the right to determine the lease and forfeit up to 25% of the consideration paid / enhance the compensation payable if the company fails to set up the plant with in the specified period.

g) Balances of Sundry Debtors, Advances given to parties, Sundry Creditors and advances received from parties are subject to confirmation.

h) Advance amounting Rs. 1,34,62,456 (Previous year 1,34,62,456) relates to remittance made to Enviro Hub Ltd Singapore through Cerebra E-waste recovery Pte Limited (a wholly owned subsidiary under liquidation). As per the Share Purchase Agreement (SPA) entered between the Company and Enviro-Hub Holdings Limited Singapore (Enviro) the subsidiary Company remitted US$ 12,50,000 equivalent to Rs 6,86,21,230 to Enviro on 2nd February 2013 as initial deposit towards acquisition of 100% shares of Enviro's wholly owned subsidiary Cimelia Resource Recovery Pte Limited (Cimelia), a Company in the field of e waste recycling business. However during July 2013 based on the advice given by the consultants and advisors the Company decided to abort the acquisition proposal. The Company is negotiating with Enviro for refund of the initial deposit and is confident of amicable settlement of the matter and hence no provision is made.

i) Capital advance includes:

(i) Rs 6,99,09,332 (Rs. 12,82,44,644) towards purchase of land and other expenses for setting up of an E-waste plant near Chennai paid during 2009-10. Subsequently the Company has decided to shift the project to Narasapura near Bangalore, and sought refund of advance.

(ii) Rs. 4,02,50,000 (Previous Year Rs 4,02,50,000) was advanced to Cimelia Resource Recovery Pte Limited Singapore (Cimelia) on 24th May 2011 towards technology fee. The payment is made by allotting 23, 00,000 equity shares of the Company at a premium of Rs 7.50 Per share.

(iii) Rs. 6,30,00,000 (Previous Year Rs. 6,30,00,000) was advanced to Restorer Corp Pte Limited, formerly known as Scenic Overseas (S) Pte Limited (Scenic) on 24th May 2011 towards supply of plant and machinery for e waste recycling plant in India. The payment is made by allotting 36,00,000 equity shares of the Company at a premium of Rs 7.50 Per share.

(iv) Rs. 5,77,50,000 (Previous Year Rs. 5,77,50,000) was advanced to Leytron Technology Pte Limited (Leytron) on 24th May 2011 towards installation and commissioning of the above plant. The payment is made by allotting 33,00,000 equity shares of the Company at a premium of Rs 7.50 Per share.

All the above allotments were made based on the approvals obtained from the FIPB, Government of India, and the Bombay Stock Exchange Ltd, Mumbai. On signing the SPA, Scenic and Leytron have agreed to return the shares allotted to them and authorized the Company to do the needful to set off against the advance amount. The Company is expecting the refund of advance by Ciemelia either by cash or by transfer of shares. Hence no provision is made in the accounts.

(v) Rs.88,48,000 (Previous Year Rs. 88,48,000) represents balance in advance account from Scenic. US $ 2,25,000 was advanced to Scenic on 24th May 2011 towards supply of plant and machinery against which mobile shredder valued US $ 25,000 was supplied by them so far.

j) Trade Receivables and advances include Rs. 26,27,59,017/- (Rs. 2,62,608,455) outstanding for substantial period. Based on the discussions with these parties the management is confident of recovering these dues and hence no provision has been made in the books.

k) On 1st July 2015, the Company has entered into an agreement with the promoters of M/s Geeta Monitors Private Limited (GMPL)to sell their entire stake to them. Accordingly out of the 25,49,975 shares held by the Company in GMPL 20,60,588 shares were sold as on 31st March 2016. Due to this transfer GMPL ceased to be a subsidiary effective from 1st July 2015. The summary of profit and loss account of GMPL till it ceased to be a subsidiary and its assets and liabilities as on that date is furnished below.

Particulars	**Quarter ending 30th June 2015**
Revenue from Operations	16,53,12,487
Other Income	9,437
Total Revenue	16,53,21,924
Expenses:	
Cost of materials consumed	-

Purchase of Stock-in-Trade	17,48,15,485
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	(2,15,73,640)
Employee benefits expense	26,20,590
Financial costs	26,07,014
Depreciation and amortization expense	8,50,235
Other expenses	7,56,414
Total Expenses	16,00,76,098
Profit before tax	52,45,826
Tax expense / (credit):	
Current tax	16,20,960
Deferred Tax	-
Profit after tax	36,24,866

Summary of Assets and Liabilities

Particulars	**As at 30-Jun-2015**
Assets	
Non-current Assets	88,32,084
Current Assets	33,03,11,007
Total	33,91,43,091
Liabilities	
Networth	10,67,61,959
Non-current liabilities	2,25,47,568
Current liabilities	20,98,33,564
Total	**33,91,43,091**

l) Contingent liabilities and Commitments (To the extent not provided for)

Counter guarantee given to the bankers for guarantee issued Rs. 4,06,73,186/- (Rs.3,22,84,172/-)

m) Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016

Particulars	**SBNs**	**Other denomination notes**	**Total**
	Rs.	**Rs.**	**Rs.**
Closing cash in hand as on 08.11.2016	1,58,500	14,409	1,72,909
(+) Permitted receipts	-	3,80,323	3,80,323
(-) Permitted payments	-	1,31,023	1,31,023
(-) Amount deposited in Banks	1,58,500	-	1,58,500
Closing cash in hand as on 30.12.2016	-	2,63,709	2,63,709

n) Figures in bracket relates to previous year. Pervious year figures are regrouped where ever necessary in conformity with the presentation of the current year.

Notes to the Consolidated Financial Statements as at 31st March 2017

Amounts in INR

Particulars	As at 31-March-2017		As at 31-March-2016	
3 Share Capital	**Number**	**Amount in INR**	**Number**	**Amount in INR**
Authorised				
a Equity Shares	11,02,00,000	1,10,20,00,000	11,02,00,000	1,10,20,00,000
b Issued				
Equity Shares	10,84,86,482	1,08,48,64,820	9,64,07,722	96,40,77,220
c Subscribed and fully paid up				
Equity Shares	10,84,86,482	1,08,48,64,820	9,64,07,722	96,40,77,220
Add: Forfeited Shares		101500	-	1,01,500
Total		**1084966320**		**96,41,78,720**

d Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Number	Amount in INR	Number	Amount in INR
Equity Shares				
Oustanding at the beginning of the period	9,64,07,722	96,40,77,220	8,43,28,962	84,32,89,620
Issued during the period	1,20,78,760	12,07,87,600	1,20,78,760	12,07,87,600
Outstanding at the end of the period	10,84,86,482	1,08,48,64,820	9,64,07,722	96,40,77,220

e Terms / Rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of share holders in the Annual General Meeting.
During the year, the Company has not declared any dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the equity share holders.

f Out of the total issued and paid up capital 92,16,153 (92,16,153) shares of Rs 10/ each have been allotted as fully paid up pursuant to a contract without payment received in cash)

g Shares held by each shareholder holding more than 5 percent shares specifying the number of shares held

Name of the Shareholder	No. of shares held	% of holding	No. of shares held	% of holding
Leman Liversified Fund	0	0	46,71,888	5
Davos International Fund	0	0	46,43,034	5
Heshika Growth Fund	80,78,760	7	60,39,380	6
Stream Value Fund	0	0	51,39,380	5
SSJ Finance & Securities Pvt.Ltd	88,11,782	8	-	-
Auctor Investments Ltd	76,28,760	7	60,39,380	6

Notes to the Consolidated Financial Statements as at 31st March 2017

Particulars	For the Year ended 31-March-2017		For the year ended 31-March-2016	
4 RESERVES & SURPLUS				
Capital Reserve				
Balance as per last financial statement	2,26,77,225		2,42,64,168	
Less: Capital reserve withdrawn on disinvestment	-		15,86,943	
Balance as at the end of the year		2,26,77,225		2,26,77,225
Securities Premium Account				
Balance as per last financial statement	58,49,32,234		57,88,92,854	
Add: Received during the year	60,39,380		60,39,380	
Balance as per last financial statement		59,09,71,614		58,49,32, 234
Foreign Currency Translation Reserve				
Balance as per last Balance Sheet	2,63,91,456		1,55,90,133	
Add / (Less): Effect of foreign exchange rate variations during the year	1,94,22,340	4,58,13,796	1,08,01,323	2,63,91,456
Surplus / (Deficit) in Statement of Profit & Loss				
Balance as per last financial statement	(11,68,21,639)		(13,33,44,743)	
Profit for the year	11,24,95,754		1,65,23,104	
Net surplus / (Deficit) in statement of Profit & Loss Account		(43,25,919)		(11,68,21,639)
Total Reserves & Surplus		65,51,36,751		51,71,79,276
5 LONG TERM BORROWINGS				
Foreign currency convertible Bond - Unsecured		-		13,32,40,000
Term Loans				
- From Banks - Secured *		6,36,542		8,76,225
- From Other Parties		3,24,86,019		5,33,52,535
Total Long Term Borrowings		3,31,22,561		18,74,68,759
Less: Instalments of term loan payable within a year considered as other current liability		2,03,23,022		3,41,37,951
Net Long term borrowings		1,27,99,539		15,33,30,808

Foreign Currency Convertible Bond-unsecured

The company has alloted 5.34% interest bearing Foreign Currency Convertible bond (Dollar Bond), of Dollar 1,00,00,000 on 19th December 2014 having a maturity life of 5 year convertible at any time upto 14th December 2019 into Equity shares of Rs. 10.50 (including premium of Rs. 0.50) at a conversion price of Rs. 63.4135, with a fixed rate of exhange exchange on conversion of Rs. 63.4135 per USD

Notes to the Consolidated Financial Statements as at 31st March 2017

Particulars	For the Year ended March-2017	For the year ended 31-March-2016

During the financial year ended 31 March 2017 the Company has converted 20,00,000 (60,00,000) Dollar bonds into 1,20,78,760 (3,62,36,280) equity Shares of 10.50 (including premium of Rs. 0.50) per share at a conversion rate of Rs. 63.4135 per USD

Term loan from a bank is secured by hypothecation of vehicle

Schedule of repayment of loan is as under

Year	Amount in INR
2016-17	2,39,509
2017-18	2,03,23,022
2018-19	1,25,62,397
2019-20	1,06,112
2020-21	81,332
2021-22	49,698

6	**LONG TERM PROVISIONS**		
	Provision for		
	- Gratuity	31,93,014	25,55,907
	- Leave Benefits	3,95,370	4,88,202
		35,88,384	30,44,109
7	**SHORT TERM BORROWINGS**		
	From a related party-(Unsecured)	-	31,00,600
		-	31,00,600
8	**OTHER CURRENT LIABILITIES**		
	Current maturities of long term debts	2,03,23,022	3,41,37,951
	Interest accrued but not due on borrowings	22,133	91,42,308
	Advances from Customers	3,60,000	4,58,634
	Liabilities for fixed assets	21,27,757	
	Dues to statuitory authorities	1,65,65,584	1,20,13,877
	Liabilities for expenses	1,76,80,324	1,10,93,939
	Due to directors	22,18,076	6,32,091
		5,92,96,896	6,74,78,800
9	**SHORT TERM PROVISIONS**		
	Provision for		
	- Bonus	9,41,551	6,68,382
	- Gratuity	2,42,652	97,924
	- Leave Benefits	39,689	74,869
	- Income Tax (Net of advance Tax)	81,62,694	17,06,162
		93,86,586	25,47,337

Note No. 10 CONSOLIDATED TANGIBLE ASSETS

		Gross Block					Depreciation					NET BLOCK	
Sl. No.	PARTICULARS	As at 01-04-2016	Additions	Exchange Fluctuation	Deletions	As at 31-03-2017	As at 01-04-2016	For the year	Exchange Fluctuation	Deletions	As at 31-03-2017	As at 31-03-2017	As on 31-03-2016
	Tangible Assets												
i	Land	2,00,900				2,00,900					-	2,00,900	2,00,900
ii	Lease hold land	5,06,39,394				5,06,39,394					-	5,06,39,394	5,06,39,394
iii	Factory Building	46,38,187	38,41,790			84,79,977	23,29,391	1,64,882			24,94,273	59,85,704	23,08,796
iv	Plant & Machinery	2,26,59,492	40,075			2,26,99,567	2,11,91,894	1,51,804			2,13,43,698	13,55,869	14,67,598
v	Office Equipment	15,89,346	4,50,711		75,000	19,65,057	13,71,980	1,93,561		75,000	14,90,542	4,74,515	2,17,366
vi	Computer/Printers/ Software	42,82,830	9,54,645	81,063	42,882	52,75,656	37,19,029	3,10,685	89,353	42,882	40,76,185	11,99,471	5,63,801
vii	Vehicles	23,68,173				23,68,173	10,96,395	3,33,886			14,30,281	9,37,892	12,71,778
viii	Electrical Installations	18,22,399	4,58,438			22,80,837	9,03,110	1,95,068			10,98,177	11,82,660	9,19,289
ix	Furniture & Fixtures	39,44,311	4,44,784	77,212	-	44,66.307	20,32,447	3,50,968	93,954	-	24,77,370	19,88,937	19,11,864
	TOTAL	**9,21,45,032**	**61,90,442**	**1,58,275**	**1,17,882**	**9,83,75,867**	**3,26,44,245**	**17,00,854**	**1,83,307**	**1,17,882**	**3,44,10,525**	**6,39,65,342**	**5,95,00,787**
	Previous Year	**14,54,12,855**	**2,01,357**	**1,03,918**	**5,35,73,098**	**9,21,45,032**	**7,28,31,255**	**51,46,258**	**16,790**		**3,26,44,245**	**5,95,00,787**	**7,25,81,600**
	Intangibles assets												
	Software	3,90,597	-	-	-	3,90,597	3,90,597	-	-	-	3,90,597	-	-
	TOTAL	**3,90,597**	**-**	**-**	**-**	**3,90,597**	**3,90,597**	**-**	**-**	**-**	**3,90,597**	**-**	**-**
	Previous Year	**3,90,597**	**-**	**-**	**-**	**3,90,597**	**3,90,597**	**-**	**-**	**-**	**3,90,597**	**-**	**-**

Sl No.	Capital Work in Progress	Balance as at 1 April 2016	Additions	Deductions	Balance as at 31 March 2017
(i)	Buildings		1,65,59,949		1,65,59,949
(ii)	Plant & Machinery		81,03,261		81,03,261
(iii)	Furniture & Fixtures		7,90,395		7,90,395
	Total		**2,54,53,605.00**		**2,54,53,605.00**
	Previous Year	**0**	**0**	**0**	

Notes to the Consolidated Financial Statements as at 31st March 2017

	Particulars	For the Year ended 31-March-2017		For the year ended 31-March-2016	
11	**NON CURRENT INVESTMENTS [NonTrade]**				
	Geeta Monitors Private Limited		-		82,21,700
	Nil (4,89,387) Equity Shares of Rs. 10 each				
	Sankhya Infotech Limited				
	200 (200) Equity Shares of Rs. 10 each 2,000	2,000		2,000	
	Less : Provision for dimunition	2,000	-	2,000	
			-		82,21,700
12	**LONG TERM LOANS AND ADVANCES**				
	[Unsecured, Considered Good]				
	Capital Advances		30,99,46,650		36,10,80,849
	Security Deposits, Considered Good		50,42,063		86,59,804
	Other Loans & Advances		1,84,67,824		1,13,23,154
			33,34,56,537		38,10,63,807
13	**OTHER NON CURRENT ASSETS**				
	- Times Shares		1,65,100		1,65,100
			1,65,100		1,65,100
14	**INVENTORIES**				
	Raw Materials		-		1,66,61,608
	Stock in Trade		2,24,52,674		77,18,425
			2,24,52,674		2,43,80,033
15	**TRADE RECEIVABLES**				
	[Unsecured]				
	Outstanding for a period exceeding six months from the date they are due for payment				
	Considered Good	1,07,32,63,569		29,79,80,440	
	Considered Doubtful	28,70,921		28,70,921	
		1,07,61,34,490		30,08,51,361	
	Less: Provision for doubtful debts	28,70,921	1,07,32,63,569	28,70,921	29,79,80,440
	Others		1,08,75,09,637		32,61,29,016
			2,16,07,73,205		62,41,09,456
16	**CASH AND CASH EQUIVALENTS**				
	Cash in Hand		3,99,746		15,06,583
	Foreign Currency in hand		2,89,135		1,69,421
	Cash at Bank:				
	- in foreign currency account		64,85,00,000		65,85,00,000
	- in other Current Account		44,58,939		40,43,691
	- in Deposit Account (with more than 12 months maturity)		4,66,04,007		3,23,35,224
			70,02,51,827		69,65,54,919

Notes to the Consolidated Financial Statements as at 31st March 2017

	Particulars	For the Year ended 31-March-2017	For the year ended 31-March-2016
17	**SHORT TERM LOANS AND ADVANCES**		
	Advance Income Tax (net of provision for taxation)	3,16,724	-
	MAT Credit Entitlement	94,29,371	1,10,67,890
	Prepaid Expenses	15,85,227	9,42,926
	Advance to Suppliers	15,68,488	15,59,607
	Balance with statutory / Government authorities	3,50,910	40,19,506
	Employee Advances	5,11,642	-
		- 1,37,62,362	- 1,75,89,928
18	**OTHER CURRENT ASSETS**		
	Interest accrued but not due on deposits	9,28,779	8,15,314
		9,28,779	8,15,314
19	**Revenue from Operations**		
	Sale of Products	2,46,18,67,287	2,35,01,53,035
	Sale of Services	4,64,84,661	3,49,66,041
	Revenue from operations (Gross)	2,50,83,51,948	2,38,51,19,076
	Less: Excise Duty	35,16,303	46,55,116
	Revenue from operations (Net)	2,50,48,35,645	2,38,04,63,960
	Details of Products Sold		
	Revenue from Trading of Computer, Accessories & Software	2,43,66,93,988	2,34,20,78,719
	Sale of refurbished e-Waste	2,16,56,996	34,19,200
		2,45,83,50,984	2,34,54,97,919
	Details of Services Rendered		
	Sale of Software Services	3,57,03,447	1,65,09,844
	Medical Transcription	1,07,81,214	1,72,81,824
	LPO Services	-	11,74,373
		4,64,84,661	3,49,66,041
20	**Other Income**		
	Interest Income on Bank Deposits	34,72,526	24,85,379
	Interest Income on IT Refund	24,485	
	Net gain on foreign currency transaction and translation	-	3,25,24,190
	Net gain on sale of fixed assets	18,000	45,000
	Excess Provision / (Unclaimed Credit) Withdrawn	1,05,60,758	22,26,970
	Others	8,34,286	15,27,023
		1,49,10,055	3,88,08,562

Notes to the Consolidated Financial Statements as at 31st March 2017

	Particulars	For the Year ended 31-March-2017	For the year ended 31-March-2016
21	**Cost of materials consumed E-Waste**		
	Opening stock	1,66,61,608	1,44,53,218
	Add: Purchase during the period	45,60,213	56,74,660
		2,12,21,821	2,01,27,878
	Less: Closing stock	-	1,66,61,608
	Consumption	2,12,21,821	34,66,270
22	**Purchase of Stock-in-Trade**		
	Purchase of Goods	2,17,75,06,617	2,19,15,93,405
		2,17,75,06,617	2,19,15,93,405
23	**Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade**		
	Inventories at the beginning of the year		
	Traded Goods-Computers & Accessories	34,19,523	58,08,429.00
	Finished Goods-Computers	-	14,56,51,220
		34,19,523	15,14,59,649
	Inventories at the end of the year		
	Traded Goods-Computers & Accessories	1,90,00,648	34,19,523
	Finished Goods-Computers	-	16,72,24,860
		1,90,00,648	17,06,44,383
	* includes stock of Geeta Monitors P Ltd, a subsidiary which was disinvested		
	Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	(1,55,81,125)	(1,91,84,734)
24	**Employee Benefit Expenses**		
	Salaries and Wages	5,92,31,087	5,83,22,976
	Contribution to provident & Other Funds	16,79,679	17,01,011
	Staff Welfare expenses	11,33,257	8,66,001
		6,20,44,023	6,08,89,988
25	**Financial Costs**		
	Interest on bonds	-	70,66,247
	Interest expense	1,23,02,610	1,56,87,974
	Interest on Income Tax	5,81,772	37,310
	Other borrowing costs	17,68,539	24,74,571
		1,46,52,921	2,52,66,102
26	**Depreciation and amortisation expenses**		
	Depreciation of tangible assets	17,00,854	51,46,258
		17,00,854	51,46,258

Notes to the Consolidated Financial Statements as at 31st March 2017

	Particulars	For the Year ended 31-March-2017	For the year ended 31-March-2016
27	**Other Expenses**		
	Consumables	1,28,236	24,487
	Power and fuel	7,46,452	5,48,217
	Rent	37,59,515	57,72,874
	Repairs to machinery	15,66,007	80,906
	Donation	-	15,000
	Repairs to others	4,62,740	3,02,798
	Insurance	15,82,424	10,43,618
	Rates & Taxes, excluding taxes on income	25,03,882	27,29,105
	Remuneration to auditors	5,31,060	4,13,188
	Legal & Professional Charges	56,59,940	77,66,444
	Freight & Forwarding	2,67,617	1,48,070
	Provision for Doubtful debts / advances	-	28,64,177
	Bad debts/deposits written off	2,10,113	2,84,55,367
	Travelling and conveyance	17,50,810	14,86,292
	Communication expenses	10,18,280	18,80,196
	Commission	15,49,725	5,18,36,847
	Labour charges	9,30,79,147	1,20,763
	Advertisement & Business promotion	39,20,975	55,54,020
	Net loss on foreign currency transaction and translation	43,36,662	10,201
	Printing & Stationery	11,62,717	3,88,420
	Security charges	75,814	
	Miscellaneous expenses	11,33,604	15,23,777
	Office Expenses	16,31,552	43,862
	Prior year expenses	4,54,860	94,02,092
		12,75,32,131	12,24,10,719
	Remuneration to auditor		
	Audit fees	3,50,000	2,10,000
	Tax Audit fees	1,00,000	1,25,000
	Certification	50,000	50,000
	VAT Audit fees	20,000	-
	Reimbursement of expenses / Service tax	11,060	28,188
		5,31,060	4,13,188

FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: Cerebra Integrated Technologies Limited
CIN: L85110KA1993PLC015091
Registered Office: S5, Off 3rd Cross, I Stage, Peenya Industrial Area, Bangalore -560 058

Name of the member(s) :
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member (s) of ……..... shares of the above named company, hereby appoint.

1. Name:

   Address:

   E-mail Id:

   Signature:……..……., or failing him

2. Name:

   Address:

   E-mail Id:

   Signature: ……..……., or failing him

3. Name:

   Address:

   E-mail Id:

   Signature: ……..…….

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Third Annual General Meeting of the Company, to be held on Monday, 21st August, 2017 at 10:30 AM at the Registered Office of the Company at S5, Off 3rd Cross, Peenya Industrial Area, Peenya I Stage, Bangalore -560 058 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss of the Company for the year ended as on that date together with the Auditors' Report thereon and the Board's Report including Secretarial Audit Report.

2. To appoint a Director in place of Mr. V Ranganathan (holding DIN: 01247305), who retires by rotation and is eligible for re-appointment.

3. To ratify the appointment of Statutory Auditors of the Company.

SPECIAL BUSINESS:

4. Re-appointment of Mr. V Ranganathan as Managing Director of the Company.

5. Re-appointment of Mr. Shridhar S Hegde as Whole Time Director of the Company.

6. Re-appointment of Mr. P. Vishwamurthy as Whole Time Director of the Company.

7. Rectification of Special Resolution for issue of Equity Shares on preferential basis.

8. Rectification of Special Resolution for issue of Warrants to Promoters on preferential basis.

9. Fees for delivery of any document through a particular mode of delivery to a member.

Affix 1/-
Revenue
Stamp

Signed this____day of August, 2017

Signature of Shareholder

Signature of Proxy Holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Form No. MGT-12

Polling Paper

[Pursuant to Section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: Cerebra Integrated Technologies Limited

Registered Office: S5, Off 3rd Cross, I Stage, Peenya Industrial Area, Bangalore - 560 058

BALLOT PAPER

Sl. No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Resolutions enumerated below by recording my assent or dissent to the said Resolutions in the following manner:

Sl. No.	Item No.	No. of shares held by me	I assent to the Resolutions	I dissent from the Resolutions
	ORDINARY BUSINESS			
1	To receive, consider and adopt the Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss of the Company for the year ended as on that date together with the Auditors' Report thereon and the Board's Report including Secretarial Audit Report.			
2	To appoint a Director in place of Mr. V Ranganathan (holding DIN: 01247305) who retires by rotation and is eligible for re-appointment.			
3	To ratify the appointment of Statutory Auditors of the Company.			
	SPECIAL BUSINESS			
4	Re-appointment of Mr. V Ranganathan as Managing Director of the Company.			
5	Re-appointment of Mr. Shridhar S Hegde as Whole Time Director of the Company.			
6	Re-appointment of Mr. P. Vishwamurthy as Whole Time Director of the Company.			
7	Rectification of Special Resolution for issue of Equity Shares on preferential basis.			
8	Rectification of Special Resolution for issue of Warrants to Promoters on preferential basis.			
9	Fees for delivery of any document through a particular mode of delivery to a member.			

Place:

Date: (Signature of the Scrutinizer) (Signature of the Shareholder)

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CIN: L85110KA1993PLC015091
Regd Off.: # S-5, Off 3rd Cross, 1st Stage, Peenya Industrial Area, Bangalore - 560 058
Telephone: 91 - 80 - 22046969 Email: investors@cerebracomputers.com. Web: www.cerebracomputers.com

ATTENDANCE SLIP

23RD ANNUAL GENERAL MEETING, MONDAY, 21ST AUGUST 2017 AT 10:30 AM

(This attendance slip duly filled in to be handed over at the entrance of the Meeting hall)

Name of the attending Member (in block letters): .....

Members' Folio Number:.....

Client I.D. No.: .....

D.P.I.D. No.: .....

Name of the Proxy (in Block Letters, to be filled in if the proxy attends instead of the members)

.....

No. of Shares held:.....

I hereby record my presence at the Twenty Third Annual General Meeting of the Company held on Monday, 21st August 2017, at 10:30 A.M. at the Registered Office of the Company at S5, Off 3rd Cross, Peenya Industrial Area, Peenya I Stage, Bangalore -560 058

To be signed at the time of handing over the slip

ROUTE MAP for the Venue of Meeting:

Route Map Link:

https://www.google.co.in/maps/place/Cerebra+Integrated+Technologies+Limited/@13.0338544,77.5201989,15z/data=!4m5!3m4!1s0x0:0x7fa21f368d1fbb59!8m2!3d13.0338544!4d77.5201989

CEREBR
Total I.T. Solutio
An ISO 9001 : 2008 Comp

CEREBRA
WELCOME
CEREBRA

Celebrating 25 Cerebra Years

Cerebra Integrated Technologies Limited

CIN: L85110KA1993PLC015091
#S-5, Off 3rd Cross, 1st Stage, Peenya
Industrial Area. Bangalore - 560 058.
T : 91-80-2204 6969 | F : 91-80-2837 2609
email : investors@cerebracomputers.com

www.lotusprinters.com